



Workforce Development in Minnesota

Phase 1 Report for MSPWin



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About this Report

The Public and Nonprofit Leadership Center (PNLC) team, consisting of Sook Jin Ong and Associate Professor Jodi Sandfort, is tasked by the Minneapolis St. Paul Regional Workforce Innovation Network (MSPWin) to research the public resources being invested in Minnesota's workforce development, specifically around those used, managed, or implemented by the six state agencies of interest to MSPWin. The main purpose is to identify where MSPWin aligns strategically with these agencies and the workforce development needs of the state.

This report presents findings from Phase 1 for the consideration of the MSPWin management and board.



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Overview: What is Workforce Development?

Perspectives matter in defining workforce development

Workforce development is a term used to define “a relatively wide range of activities, policies and programs employed by geographies to create, sustain and retain a viable workforce that can support current and future business and industry”¹. This definition is quite broad because it is argued that more specific definitions depend upon the perspective of those who use the term. For example, “educational institutions and public and private social service providers... approach workforce development and develop programs from the perspective of the sustainable economic security of the *individual*”, whereas for employers, the perspective is that of the organization’s capacity and viability to remain economically competitive. According to Haralson, the three common perspectives are:

- **Individual:** “...centers on training and education”.
- **Organizational:** “...skills training to stay globally competitive”.
- **Societal:** “goal is... future economic stability and growth”.

Jacobs and Hawley define workforce development as “coordination of public and private-sector policies and programs that provides *individuals* with the opportunity for a sustainable livelihood and helps *organizations* achieve exemplary goals, consistent with the *societal* context”². This definition was developed in hopes to bridge the various perspectives in workforce development. It is no surprise that in this research, the research team found that **the many state agencies involved in workforce development in Minnesota have different perceptions of their roles and the way they shape the policy field**. The variations include the target group served by the agencies, types of programs that fall under the workforce development umbrella term, and the implementation of the policies and programs by the agencies. This then is made complicated with the emerging policy changes in the field, particularly with the recent passage of the Workforce Innovation and Opportunity Act (WIOA).

MSPWin’s target group of low-wage, low-skilled adults of color provided a key analytical framework that guided the research process pursued in this report. In reporting our findings, we begin with a macro-level overview, and then zoom into the six Minnesota state agencies that provide public workforce development investments that reach this target group. We then conclude with some key findings, and recommendations for Phase 2 of the project.

¹ Haralson, L. (2010) What is Workforce Development? Federal Reserve Bank of St. Louis. URL: <https://www.stlouisfed.org/publications/br/articles/?id=1953>

² Jacobs, R. L., & Hawley, J. D. (2009). The emergence of ‘workforce development’: Definition, conceptual boundaries and implications. In *International handbook of education for the changing world of work* (pp. 2537-2552). Springer Netherlands.



Changing Landscapes Nationally and in Minnesota

The national workforce development policy area from WIA to WIOA

The most significant piece of legislation that could reshape the workforce development policy field is the Workforce Innovation and Opportunity Act (WIOA). On July 22, 2014, President Barack Obama signed WIOA into law and will come into effect on July 1, 2015. WIOA aims to bring together, in strategic coordination, the core programs of Federal investment in skill development.³

How will some of these changes impact workforce development at the state level? According to Council of State Governments⁴, some of the major changes (as grouped by Titles) impacting workforce development will be in the following areas:

Title I - Workforce Development Programs

Unified State Workforce Plans. WIOA requires a single, unified state plan covering all core programs authorized under the bill. The plan must describe the state's overall strategy for workforce development and how the strategy will meet identified skill needs for workers, job seekers and employers. Local plans must be aligned to the strategy described in the state plan, and must describe how services provided at the local level will be aligned to regional labor market needs. **Sec. 102 to 103**

Designation of Local Workforce Development Areas. Maintains the similar criteria for the designation of a local workforce area from WIA. It establishes new provisions related to automatic designation of certain areas to reduce inefficiencies. WIOA also increases the state's ability to determine the exact area(s), while strengthening the coordination with local community. **Sec. 106**

Performance Measures. To promote transparency and accountability, WIOA creates a single set of common measures for adults across all core programs authorized under the bill. It includes both occupational training and adult education programs, and a similar set of common measures across all youth serving programs authorized under the bill. The bill includes performance reports to be provided at the state, local, and training provider levels to evaluate the efficiency of core programs. **Sec. 116**

³ WIOA Overview. URL: <http://www.doleta.gov/wioa/pdf/WIOA-Overview.pdf>

⁴ Karellas, A., (2014) The Workforce Innovation and Opportunity Act. The Council of State Government's Knowledge Center. URL: <http://knowledgecenter.csg.org/kc/content/workforce-innovation-and-opportunity-act>

	<p>Establishment of One-Stop Delivery System. WIOA requires state boards to establish criteria for use by local boards to assess the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers at least every three years. The bill maintains current requirements for mandatory one-stop partners to reach a voluntary agreement to fund infrastructure costs; however, if local areas fail to come to an agreement, a state mandated funding mechanism may be imposed upon those local areas. <u>Sec. 121</u></p> <p>Employment and Training Activities. For youth, WIOA strengthens the existing youth services by focusing on out-of-school youth, dropout recovery efforts, and education for at-risk youth. For adults and dislocated workers, the bill helps stabilize the funding formula to reduce volatility for states. It also preserves the governor's 15 percent set-aside for statewide activities.</p> <p>Elimination of Duplicative Programs. As stated, WIOA eliminated 15 duplicative federal programs in an effort to increase coordination and efficiencies. The programs included: Youth Opportunities Grants, 21st Century Workforce Commission, National Institute for Literacy under Adult Education, Health Care Gap Coverage for Trade Adjustment Assistance, WIA Incentive Grants, WIA Pilots and Demonstration Projects, Community-based Job Training Grants, Green Jobs Act, Projects with Industry (under Rehabilitation amendments), Recreation projects (under Rehabilitation amendments), In-service training (under Rehabilitation amendments), Migrant and Seasonal Farmworker Program, WIA Veterans Workforce Investment Program, WIA Workforce Innovation Fund, and Grants to States for Workplace and Community Transition Training for incarcerated Individuals.</p>
Title II - Adult Education and Family Literacy	<p>Education and Career Development. WIOA places an emphasis on ensuring that states and local providers offer basic skills, adult education, literacy activities, and English language training. It also emphasizes the utilization of a career pathway approach for adult learners to support job training and continued education for new employment opportunities. <u>Sec. 201-243</u></p> <p>Coordination in State Plan and Efficiency Incentives. Increases coordination of Title II education programs with overall statewide workforce plan. It provides states with incentives to better coordinate their education programs for the purpose of career advancement. WIOA also authorizes states to receive funds to develop valid and reliable performance data. It provides provisions to support research and evaluation of adult education activities at the national level. <u>Sec. 221-225</u></p>
Title III - Workforce Information Council	<p>Statistics and Information Coordination. Generally maintains the WIA law and aligns provisions of WIOA, including the state unified plan, performance measures, and other reporting metrics. It also renames "employment statistics" to "workforce and labor market information system." <u>Sec. 301-308</u></p>

Table 1.0: Key Changes in WIOA. (Selection taken from the Council of State Government's Knowledge Center. URL: <http://knowledgecenter.csg.org/kc/content/workforce-innovation-and-opportunity-act>)

Minnesota received national attention during WIOA passage when its Minnesota FastTRAC program was singled out by the Obama administration as an exemplary program “designed to speedily equip unemployed or underemployed adults with the skills they need for jobs that are open.”⁵ The Minnesota Congressional delegation also recognized state leaders as working on three important areas: 1) stricter reporting requirements to gather accurate data on Minnesota’s workforce program outcomes, 2) the creation of a standard adult diploma that recognizes various pathways and rewarding work experience, and 3) reducing (and eliminating) the use of racially-biased employment screening tools.

For WIOA implementation, Minnesota will create a workforce development plan that, according to the legislation, provides “...one comprehensive plan to align all the core workforce programs, including education, job training, and employment services”. By using WIOA as a catalyst for new way of doing things, could this be where MSPWin comes in?

⁵ Workforce training with race equity can be unifying state priority for '15. (2014, August 6, by Dane Smith). *Saint Paul Legal Ledger Capitol Report*.



The Organizations

The six state agencies and a brief overview on the research methods

The six Minnesota state agencies explored in this analysis are the **Department of Human Services**, the **Department of Employment and Economic Development**, the Department of Education – **Adult Basic Education**, the **Minnesota State Colleges & Universities** system, the **Minnesota Office of Higher Education**, and the **Department of Corrections**.

Various sources of information were used for this research, particularly web pages of the six agencies, journal articles, reports, and financial documents. For each agency, we first looked at its web contents for information on programs that are directly or indirectly related to the definition of workforce development (as set out in the Overview). Basic

information on the programs was reviewed – for example, purpose, target audience, funding sources, key changes, current status, impact areas, and indication of future directions. The availability of information (or lack thereof) shaped the questions for our interview process.

Staff or management from each six state agencies were contacted for interviews. While we tried to ensure that the analysis of the agencies are comparable, the amount of time and information provided by the agencies varied. Additional secondary research was done to corroborate the facts shared by the interviewees, or to follow up on suggested links or resources. (Caveat in Technical Appendix, page 42).



Completed interviews ranged from 40 minutes to two hours, depending on the availability of the interviewee(s)⁶. The persons we interviewed were:

Minnesota Department of Human Services:

Deborah Schlick, Director, Office of Innovation and Reform

Minnesota Department of Employment and Economic Development

Thomas Norman, Director, Workforce Development

Minnesota Department of Education – Adult Basic Education

Todd Wagner, MN State Director and Adult Basic Education Supervisor

Julie Dincau, ABE Transitions Specialist

Brad Hasskamp, ABE Policy & Operations Specialist

Jim Colwell, High School Credential (GED & Adult Diploma) Specialist

Astrid Liden, Professional Development Specialist

Minnesota State Colleges and Universities

Mary Rothchild, Senior System Director – Workforce Development

Minnesota Office of Higher Education

Meredith Fergus, Manager of Financial Aid Research and SLEDS Co-ordinator

The Phase 1 report and presentation was then created to capture the findings. The narrative for each agency is descriptive, and captures the key findings from our research. This includes many insights from the interviewees that are usually preserved as quotes from their interviews.

Some fiscal data were found in our research, and in an attempt to understand its size in the scope of the work that the state agencies do, visualizations were created. The visualization of each agency's fiscal data follows the prototype in Figure 2.0, with minor variations to adjust to the availability of information specific to the agency. Generally, most visuals include **sources** of funding, **total expenditure** (and the portion going to workforce development-type programs), and **program-specific expenditure**. We tried to make sure the figures came from the same fiscal year (or minimize the variation of years). The visualizations are by no means conclusive – once again, the interpretation of whether a program is considered “workforce development” is agency-specific, and we only include ones that serve the demography of interest to MSPWin.

⁶ Thomas Norman, the director of workforce development in the Department of Employment and Economic Development (DEED), had to leave early as he had something urgent that cropped up at work. His interview lasted 20 minutes, and he expressed interest to resume the conversation at a further time. Additionally, it was difficult for the team to get in touch with a contact person from the Minnesota Department of Corrections (DOC) – throughout the time of research, they were mostly unavailable. The person we spoke to was Grant Duwe, the research director, who recommended that MSPWin or the research team get in touch again in Fall 2014, as DOC is less busy at that time of the year.

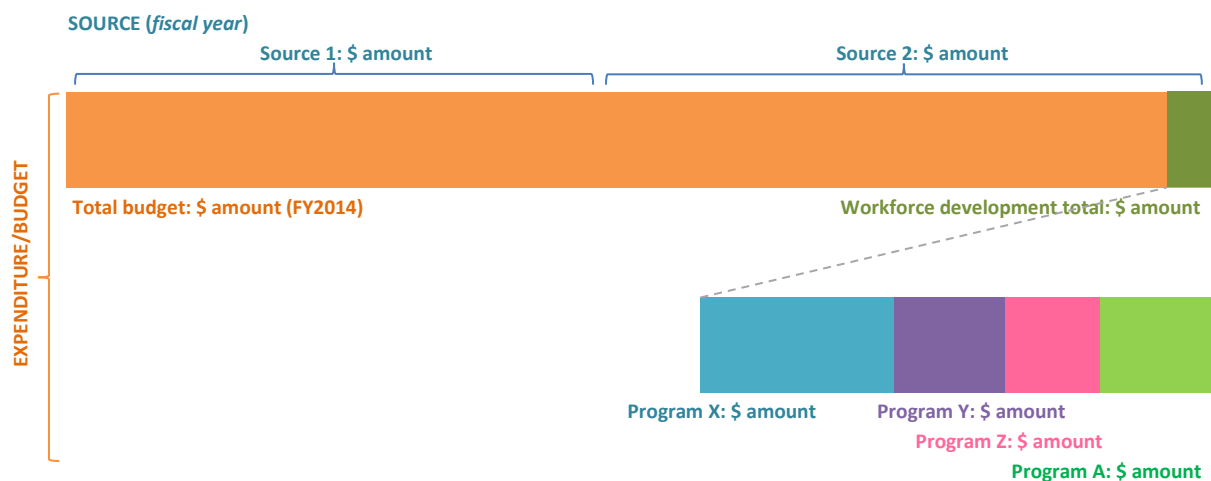


Figure 2.0: Prototype of visualization for fiscal data from each state agency

The research process started on July 1, 2014, and concluded September 1, 2014, with a total of 130 hours used in the process.



Figure 3.0: Timeline of Phase 1



Minnesota Department of Human Services

Under-Realized Potential within the System to Develop State's Workforce

The Minnesota Department of Human Services “provides Minnesotans with a variety of services intended to help people live as independently as possible”⁷. Through its many offerings, its employment service programs such as the **Minnesota Family Investment Program (MFIP; MN Statutes 256J.02 - 256J.74)** and the **Supplemental Nutrition Assistance Program - Employment and Training program (SNAP E&T; MN Statute 256D.051, known as Food Stamp Employment and Training Program)** incorporate elements of workforce development. These often take form in the inclusion of training or education aimed at increasing job skills and employability in participants, as approved or deemed appropriate by their job counselors⁸. Deborah Schlick from DHS commented, “We call workforce development ‘employment services’, and I think that what’s often implied is that it’s a tool to keep people accountable, and less often likely to recognize it as an opportunity to meet state’s economic or workforce needs. ...we think of it reflexively.”

Due to the ‘implied and reflexive’ definition of workforce development within DHS, these programs can be considered to be “workforce development” in nature:

- **MFIP** is DHS’ largest employment services program, serving all counties (and several tribal nations) in Minnesota. In fiscal year 2014, MFIP serves (in an average month) an estimated 33,823 families and a total of 90,248 participants.⁹ However, while the main purpose of these programs is to require employment activity while providing cash assistance, the programs do not often focus on participants’ professional development. Additionally the system focuses on process measures of participants’ activities rather than employment-related outcomes. MFIP participants and job counselors are kept busy with tracking hours of participation and filling in paperwork, and less on working towards participants’ long-term economic stability.¹⁰

⁷ About DHS: Mission and Values. URL: <http://mn.gov/dhs/about-dhs/mission-and-values.jsp>

⁸ For description on the training and education component of SNAP E&T, go to <http://bit.ly/snapet>; for MFIP, go to <http://bit.ly/mfiptraining>

⁹ House Research – Short Subjects. MFIP. URL: <http://www.house.leg.state.mn.us/hrd/pubs/ss/ssmfip.pdf>

¹⁰ DHS Employment Services Counselors Survey 2014; some of the key challenges faced by employment service counselors (i.e. job counselors) are in operations and processes – e.g. paperwork and tracking hours, and frustration on not being able to spend time coaching their participants effectively.

- **SNAP E&T** is a much smaller federal program administered by the Department since November 1, 2013¹¹. SNAP E&T are for able-bodied SNAP participants who are not receiving cash benefits through other public assistance programs (e.g. MFIP). Given its relative newness and its target audience who are not served by other programs, SNAP E&T has potential to grow. Deborah stated that currently “...we under-realize (its) potential,... because those are often low-wage workers who are still working or unemployed, and we could tap into more federal match money to really provide more workforce services in SNAP E&T”.

Limited information on SNAP E&T is available due to its newness – this includes the lack of data on its funding and impact. Nonetheless, it may be prudent for MSPWin to keep an eye out on the development of this program. For now, given MSPWin’s interest in workforce development for the low-wage, low-skilled demography¹², the focus in this DHS section is primarily on MFIP.

Funding the Minnesota Family Investment Program

For the fiscal year 2013, the cash portion of MFIP was \$149.4 million and the food portion at \$159.6 million¹³. These were funded by the federal TANF block grant funds (\$66.3 million), the federal Supplemental Nutrition Assistance program funds (\$158.9 million), and state appropriation (\$83.8 million) and flow to county and tribal governments.

Minnesota’s annual allocation from the federal TANF block grant funding is \$268 million.¹⁴ This amount is subjected to federal reauthorization. Federal law requires a maintenance-of-effort (MOE) from all states to spend 75% to 80% of the amount spent in 1994 (under the AFDC program) to assist low-income families and for fiscal year 2013, Minnesota’s required MOE amount was \$176.7 million. Minnesota’s TANF block grant is spent on a variety of programs such as MFIP, child care assistance, and working family tax credit.

In addition to cash and food support, counties receive their fund allocation to operate additional services. For the year 2015, this total allocation amounted to \$95.3 million¹⁵. An additional \$5 million allocation is available for performance bonus should they achieve their targets¹⁶. DHS uses a

¹¹ No figures are available, as yet, given the start date of this program. From the DHS report, *Characteristics of People and Cases on the Supplemental Nutrition Assistance Program December 2013*, pg. 3: “In 2009, Minnesota received a waiver that lifted the three-month eligibility limit and mandatory work requirements for able-bodied adults without dependents (ABAWDs) due to the nationwide recession and high unemployment rate. As the economy improved and the unemployment rate stabilized, Minnesota was no longer eligible for the ABAWD waiver, effective Oct. 1, 2013. As a result of the federal government shutdown on Oct. 1, 2013, Minnesota received approval to delay implementation of the mandatory work provisions for ABAWDs until Nov. 1, 2013. Effective Nov. 1, 2013, the SNAP Employment and Training program and the ABAWD work provisions began, which limits eligibility to three of 36 months if not meeting the work requirements. Cases eligible in November through January began losing eligibility in February 2014, therefore, are not reflected in this report.”

¹² In Dec 2013, the race/ethnicity breakdown of MFIP participants are as follows: 37.0% white, 40.9% black, 5.9% Asian, 5.2% Hispanic, 8.5% American Indian, 2.0% multiple. URL: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4219P-ENG>

¹³ House Research – Short Subjects. MFIP. URL: <http://www.house.leg.state.mn.us/hrd/pubs/ss/ssmfip.pdf>

¹⁴ TANF Block Grant – Congressional Research Service, pg. 4. URL: <http://fas.org/sgp/crs/misc/RL32748.pdf>

¹⁵ MFIP Consolidated Fund Support Services - Calendar Year 2015 Allocation.

¹⁶ This allocation is funded with 9% state funds and 91% federal TANF funds and paid quarterly. MWCA: MFIP Funding. URL: <http://www.mwca-mn.org/Legislative/MFIP%20Funding%20Sources.pdf>

consolidated fund (created in 2003) to provide this funding. The portion of funds received by counties depends on history, county size, caseloads, needs, and other criteria, and is adjusted annually.

From this, Figure 4.0 visualizes the MFIP expenditure to the rest of DHS's fund. For the biennium of FY2014-FY2015, DHS has an enacted budget of \$28.47 billion¹⁷.

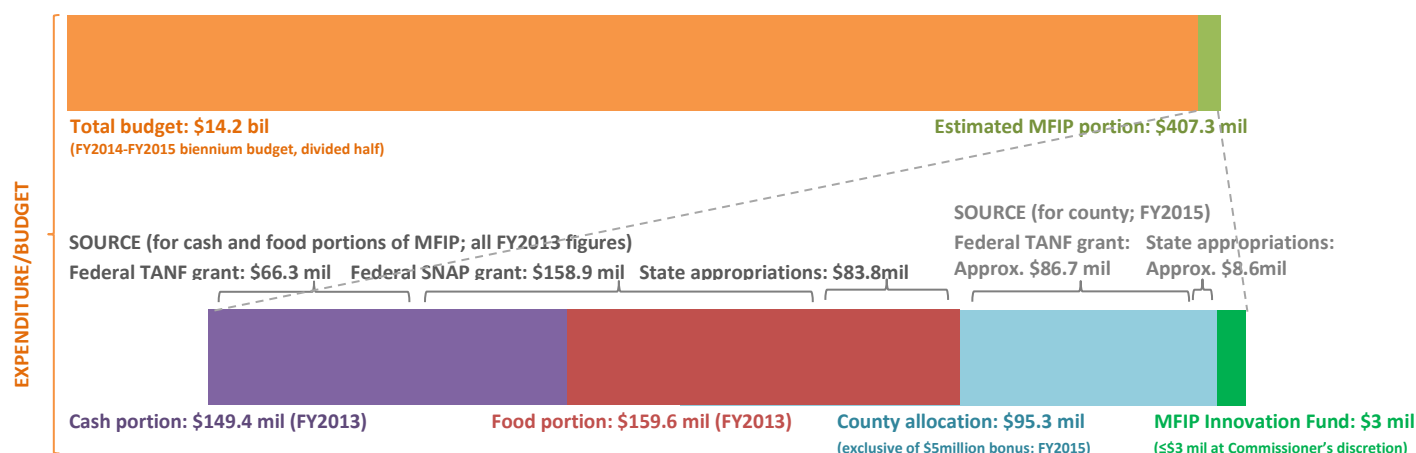


Figure 4.0: Visualization of MFIP's budget to DHS's budget

As seen in Figure 4.0, counties use their allocated funds to pay the state portion of the eligibility/financial workers' salaries (their salaries are part-state, part-county), run an emergency assistance program (which since 2003 is fully funded by county governments), fund the operating costs of the Diversionary Work Program (designed to provide short-term support to families so they don't enter the MFIP program), and MFIP employment services¹⁸. Counties often contract with nonprofit employment service providers and other related agencies either through a competitive process, or via their local workforce centers.

The consolidated funds have been cut many times; historically, salaries of eligibility workers are less likely to be cut (due to nearness; i.e. they are the county's own workers), thus other elements are often reduced (such as the employment service contracts or emergency assistance program). However, there is discretion at the county level on how they allocate their funds as long as they fall within the TANF and other state-mandated guidelines.

DHS also provides an Innovation Fund for MFIP, given at the discretion of the Commissioner. Pilot projects were commissioned from these funds, such as:

- The *Disparities Reduction Innovation Projects* (from 2009 to 2011).¹⁹ Total funding was \$757,831 in 2009, \$733,851 in 2010 and \$638,551 in 2011, involving counties Anoka, Becker, Dakota,

¹⁷ Fiscal Review: Minnesota State Senate, 2013 Session. Pg. 41.

http://mn.gov/mmb/images/2013%2520Mn%2520Senate%2520fiscal_review.pdf

¹⁸ From interview with Deborah Schlick (DHS)

¹⁹ DHS Evaluation Notes: Disparities Reduction Innovation Projects - Summary Report 2009 through 2011. URL: <https://peerta.acf.hhs.gov/uploadedFiles/Disparities%20Reduction%20Innovation%20Projects.pdf>

Hennepin, St. Louis, and Washington and the Red Lake Nation. Though the service models differed in the counties, there were positive effects on participants' earnings. From interviews and discussions with county staff, it matters to have smaller caseloads and the intentionality to focus on the African American and Native American communities. "That act will mean that resources and attention will flow, and it could make a difference," said a quote from the report.

- The *Adult Career Pathways program* funded from 2012 to 2014, on Universal Health Care Worker programs (\$250,000).²⁰

Deborah Schlick made an astute observation on the funding available in the MFIP program, and DHS in general: "We spend more of our money in these structured work environments: they're very expensive, and they come with lots of staff support, so that isn't really workforce development, but a service to give someone something to do." From this, she encouraged intentionality and a focus on results for the participants, and be deliberate in how the use of funding in these programs can affect the lives of those relying in these services.

MFIP Education Policy Change: More Training for All?

In MFIP, a work activity is "any activity in a participant's approved employment plan that leads to employment" (Minn. Stat. § 256J.49, subd. 13).²¹ While policy previously discouraged education and training, recent legislative changes now encourage these activities.²² These changes potentially could shift the role of the counselors from being a 'gatekeeper' to a 'counselor'. Prior to this, job counselors approved or disapproved a participant's plans, and this role or their stance vary widely from agent to agent, agency to agency, county to county, affected by many factors. Typically, the workforce development element of MFIP is, according to Deborah, "contingent on what's available in the area, as provided by community organizations, community and technical colleges, ABE programs, and so on." Now job counselors might be able to act in a more advisory role, figuring out the motivations behind the participant's desire to pursue training or offering advice on other paths not considered, future considerations, etc. According to Deborah, "...that piece of the employment counselor will come out. That's quite a shift because that's not we've been emphasizing in the system. We have people who are truly counselors in the system, but we've a lot who aren't." They can no longer prevent a participant from deciding to go ahead with further education or training opportunities.

Yet the performance measures that they are held accountable for do not reflect this change in emphasis. Deborah commented that "Counselors get a competing message from our system. On one hand, state law now tells them if (participants are) eligible and they want to do (training or education), you have to let them do it. On the other hand, you've got to get a high Work Participation Rate (WPR) for your caseload, and the counselors will know that allowing people to participate in those activities will not count towards the WPR. So there's going to be this real tension where counselors are going to

²⁰ Minnesota TANF State Plan Renewal 2012-2014. URL: <https://edocs.dhs.state.mn.us/lfsrserver/Public/DHS-6114-ENG>

²¹ What Counts As Work? Pg. 41, House Research Dept. docu.

²² Policy Changes to Education and Training Activities in MFIP. URL: http://www.dhs.state.mn.us/main/groups/publications/documents/pub/dhs16_185177.pdf

respond to these two competing messages. The reaction has been split from the beginning. ‘Yay, thank god we can finally give them training’ and ‘oh my god this will be a disaster’. So I think we’ll see both throughout the state.”

MFIP Results Initiative: Reawakening Potential?

DHS is gearing up for its statewide demonstration project, the MFIP Results Initiative, to examine whether moving from a process-driven system to one that is results-oriented will at least maintain or improve the outcomes of MFIP participants. Slated to go live on January 2015, MFIP Results Initiative will provide the space for experimental counties to explore service delivery without some of these tensions.

This is particularly significant for the low-wage, low-skilled adults in MFIP, who are largely those in communities of color. DHS knows that disparities, particularly in the African American and Native American population, “...are deep and enduring”. According to Deborah, the MFIP Results Initiative is an attempt to change that, particularly for communities that have been badly served by the system for many years.

“...asking them (communities with bad experiences in MFIP) to fit their lives into our boxes and to make our relationship with them all about paperwork is particularly damaging. I keep thinking one of the hopes (of the MFIP Results Initiative) is those relationships, a... connection that someone cares about them.”

Deborah Schlick, Economic Assistance and Employment Supports Division, Minnesota Department of Human



Minnesota Department of Employment & Economic Development

Workforce Talents in Multi-Directions: for Business, for Workers, and for State

DEED is the most visible entity when it comes to workforce development programs, as the state agency entrusted to “enhance the economic success of individuals, businesses and communities by improving opportunities for prosperity and independence”²³ in Minnesota. This manifests itself in the breadth of programs that are administered through or receive oversight from DEED. In the 2012 Minnesota Workforce Inventory report, DEED had at least fifteen programs serving a broad spectrum of

“DEED’s workforce development programs serve new workers in preparing for their first job; assist incumbent workers increase their skill levels to meet changing business demands; and strive to recapture knowledge and skills of mature workers to contribute their talents to existing businesses.”

Minnesota Department of Employment and Economic Development

Minnesotans, from youths to veterans to displaced workers to low-income adults.²⁴ In its 2014 Budget Narrative to the Minnesota Management and Budget Office, the workforce development division was clear in its charge. DEED was “...responsible for providing appropriate services to remove individual barriers to employment so they may participate in the labor force. Employment and training activities are designed to address both unemployment and underemployment of Minnesota citizens. The division must be proactive in engaging employers to identify the skills they need to be globally competitive. The primary customers of the division are job seekers and employers.”²⁵

In addition to its role to manage the workforce development needs of the state (for both individuals and employers), DEED functions as the administrator to sources of federal funding. Thomas Norman, the director of workforce development at DEED, commented, “We are the conduit for Department of Labor monies, allocated based on formula. On state funding, we have very little latitude due to how it’s described in state statute. These resources are competitively allocated using formula, and we track performance scrupulously. We monitor performance, we meet with providers, and we issue corrective actions. We make sure the resources we have are used in the most effective programs to have a stronger workforce.”

²³ DEED’s purpose statement. URL: <http://mn.gov/deed/about/who-we-are/purpose.jsp>

²⁴ Minnesota Workforce Inventory. URL: <http://mn.gov/deed/about/what-we-do/agency-results/inventory/index.jsp>

²⁵ 2014-2015 DEED Biennial Budget. Pg. 8. URL: <http://www.beta.mmb.state.mn.us/doc/budget/narratives/initial13/deed/index.pdf>

Spread of Programs for Various Economic and Employment Needs

The current spotlight shines on the **Minnesota FastTRAC program** – now a nationally lauded initiative. The program combines “basic skills education, career-specific training, and support services to meet the needs of working adults”, and does so innovatively by having each of its ‘adult career pathways’ (specific program tracks) connected to an employer and an educational institution, supported by community service providers.²⁶ For the fiscal year 2014, a total of \$1.45 million was awarded to 18 adult career pathways projects, with an estimate of 707 workers to be trained and placed statewide.²⁷

In our interviews with the other six agencies, Minnesota FastTRAC is often brought up as an example of cross-agency, cross-sectoral collaboration platform that is much needed in bringing the workforce development policy field together. Most also acknowledged it is a program that requires high levels of coordination and alignment, and the creation of new ‘spaces’ of working together that is more costly than what the current system will pay for.

Some other workforce development programs within DEED of interest to MSPWin because of your interest in low-income workers and people of color include:²⁸

- **The National Career Readiness Certificate**²⁹: This is an exam-based credential offered at no charge by selected Minnesota WorkForce Centers. This helps highlight a participants’ skills to an employer.
- **The Minnesota Job Skills Partnership**³⁰: Created in 1983, DEED provides training grants that are used to “offset training-related expenses incurred by business, industry and educational institutions necessary to meet current and future workforce needs”. Grants range all the way up to \$400,000, and will be provided to business that partner with educational institutions to develop their training program. 6,643 persons were trained in FY2012³¹.
- **Minnesota Career and College Collaborative**³²: A cross-disciplinary team³³ working together on “complementary goals of access to post-secondary education, and career success”, with a focus on “the achievement of members of underrepresented populations”. Among their purpose is to foster cross-disciplinary state teams to work together on various interests, provide guidance for policymakers and organizations on any aspect of career development and college readiness, and gather and disseminate information on career development.

²⁶ MN FastTRAC’s Fact Sheet. URL: <http://mn.gov/deed/images/FactSheet.pdf>

²⁷ From DEED’s press release. URL: <http://mn.gov/deed/newscenter/press-releases/newsdetail.jsp?id=466-132712>

²⁸ Programs such as ones for dislocated workers, youths, and veterans are not listed for this purpose.

²⁹ National Career Readiness Certificate. URL: <http://mn.gov/deed/job-seekers/find-a-job/ncrc/>

³⁰ Minnesota Job Skills Partnership. URL: <http://mn.gov/deed/business/financing-business/mjsp/index.jsp>

³¹ 2012 Biennial Report for MJSP. URL: http://mn.gov/deed/images/2012_Biennial.pdf

³² Minnesota Career and College Collaborative. URL: <http://mn.gov/deed/programs-services/mn-career-college-collaborative/>

³³ Includes but not limited to representation from adult basic education providers, adult employment programs, career and technical education programs, city governments, college readiness programs, community colleges, community organizations, corrections services, employers, industry associations, school districts, universities, vocational training programs, and workforce development agencies. URL: <http://mn.gov/deed/programs-services/mn-career-college-collaborative/>

- **Minnesota WorkForce Centers** and services such as **the Minnesota Job Service**³⁴ – mostly via MinnesotaWorks.net. These are resources for job-seekers to find work, receive trainings, and referrals.

Funding Workforce Development through DEED

Given the depth of work DEED does in all areas of employment and economic development in Minnesota, it is difficult to obtain budget and funding figures that truly depict the work they do. On its web page for its budget, DEED redirects the visitor to the Minnesota Management and Budget office (<http://mn.gov/mmb/budget/>). The Fiscal Review of the Minnesota State Legislation (2013 Session) had figures on DEED's enacted budget and a 'workforce development' fund, but it was unclear what the workforce development fund covers. Nonetheless, a quick snapshot at some of the numbers uncovered in relation to specific programs can give us an insight into the size of workforce development programs in DEED, particularly one from the demography of interest to MSPWin.

DEED's enacted budget for the biennium of FY2014-FY2015 is \$901.1 million with a Workforce Development fund of \$92.2 million.³⁵ For comparativeness to the figures of specific programs, we use biennium FY2012-FY2013. Total expenditure for that biennium is \$866.2 million, with \$96.2 million in the 'Workforce Development' fund.

Unless noted, the 2012 Workforce Inventory provides most of the numbers below (with others updated from various sources).³⁶

- Minnesota FastTRAC: \$1.45 million in FY2014
- Minnesota Job Skills Partnership: \$4.2 million³⁷ in FY2012
- WIA 1B Adult program: \$9.9million in FY2012
- Senior Community Service Employment Program: \$2.1 million in FY2012
- Displaced Homemaker program: \$2.1 million in FY2012
- Adult Workforce Competitive Grant: \$3,283,000³⁸ (recurring annually since FY2012)
- Women and High Wage, High-Demand, Nontraditional Jobs Grant Program: \$475,000 for FY2015

³⁴ Minnesota Job Service report. URL: http://mn.gov/deed/images/Job_Service_AnnualReport.pdf

³⁵ Fiscal Review: Minnesota State Senate, 2013 Session. Pg. 62.

http://mn.gov/mmb/images/2013%2520Mn%2520Senate%2520fiscal_review.pdf

³⁶ Minnesota's 2012 Workforce Inventory. URL: http://mn.gov/deed/images/Workforce_Inventory_2012.pdf

³⁷ 2012 Biennial Report for Minnesota Job Skills Partnership: http://mn.gov/deed/images/2012_Biennial.pdf

³⁸ <http://mn.gov/deed/about/contracts/#> on Adult Workforce Dev. Competitive Grant Prog. Awards - SFY 2014-2015, and on the Women and High Wage, High-Demand, Nontraditional Jobs Grant Program

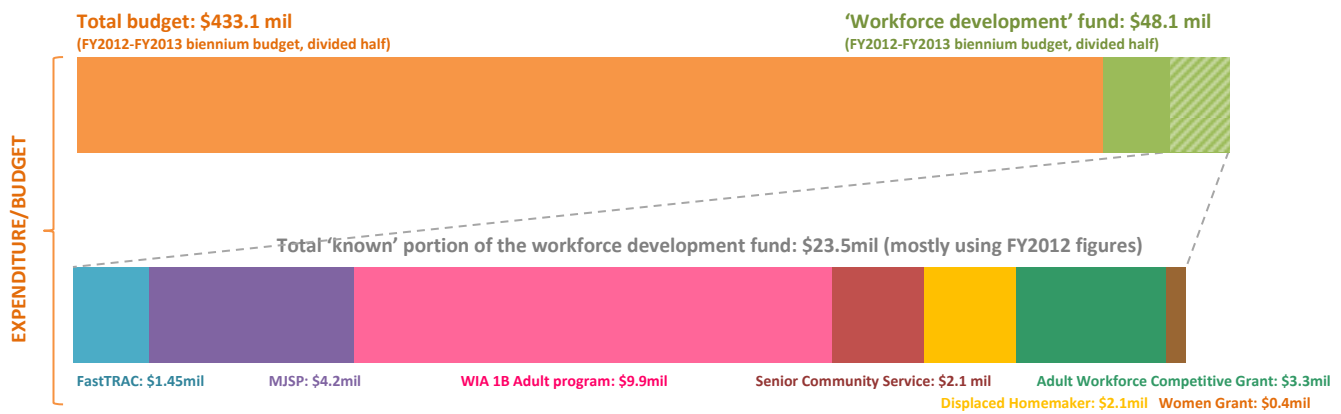


Figure 5.0: Visualization of known workforce development programs budget to DEED's budget

Knowing the Future to Design the Present

One of the areas of success are programs with a focus on career pathways (FastTRAC and Job Skills Partnership being examples), especially when developmental education is blended with skills training in a different way. This can be one way workforce development programs help address the gap in disadvantaged populations, who often make up the majority of DEED's programs. Thomas commented that DEED is "...mindful of racial disparities of employment. One of the exciting things about our programs, as much as the disparities are evident, is that our services are an exact opposite. We have more minorities, more disadvantaged communities, and because we are directly serving them, we're committed to addressing their challenges."

Ultimately, for a successful workforce in Minnesota, Thomas perceives a strong need to understand what the workforce of the future looks like to better design our current programs. "Better ideas, continuing engagement with employers to understand what jobs they need, understand what the future workforce may look like, and come to grips with the fact that the available workforce we have now will not be good for our needs in the next ten years. People need to recognize there's a shift in workforce availability, skills, and nature of employment."



Minnesota Department of Education – Adult Basic Education

Multiple Entry-Points, Various Pathways

Minnesota adult-basic education (ABE) system served 69,623 enrollees in 2014³⁹ through programs such as the GED, Adult Diploma, ESP (English as a Second Language), Basic Skills Enhancement, Family Literacy, and Civics and Citizenship Education. The oversight of these programs is managed by a unit in the Minnesota Department of Education – the Adult Basic Education unit. ABE used to be focused on adult literacy, but has changed its focus to providing the fundamental blocks of skills and capabilities for Minnesotans to excel in the workplace. Arguably, most ABE programs can be viewed as a stepping point into workforce development. According to Brad Hasskamp, ABE policy specialist, “Participants of the ABE programs range from ones as young as 16 to 90 year olds... and while it can be argued that the 16 year old will take an ESL class and utilize the language skills in a job setting, the same argument can’t be made for the 90 year old.” This diversity can obscure the programs’ effects on workforce development, both directly and indirectly. “We’re not sure if external stakeholders appreciate the wide range of our programs as part of workforce development – for example, teaching English to adults who needed it. We’re working with parents not to just help them get the skills they need for immediate job placements, but to impact their children for better opportunities,” added Todd Wagner, the director of the ABE unit.

“From our perspective, we’re the safety net. We’re all about empowering people. We used to be all about adult literacy, but increasingly we see that we need to be embedded in the larger workforce development system. We see our mission to be broader, going beyond just workforce development preparation in the narrower sense.”

*Todd Wagner, Director of Adult Basic Education, Minnesota
Department of Education*

Yet ABE programs become the starting point for a wide spectrum of skill levels, background, and experience, and the diversity of programs administered by the unit reflect this. “For us, we have everything from provider sites that may just be a single part-time person providing open-entry open-exit multi-level⁴⁰ programs, there might be someone working on GED and ESL preparation in one classroom,

³⁹ Any number of hours. Overview of ABE in Minnesota. URL:
<http://www.mnabe.org/sites/default/files/Overview%20of%20ABE%202014.doc>

⁴⁰ Phrase used in ABE to describe the type of service where an ABE teacher will be present in a classroom with walk-in hours, and students from various levels or education intentions can come in with their questions/course work/ etc. (e.g. someone

all the way to the large centers run in St. Paul and Minneapolis. There are one-stop county service centers, such as the one in Blaine, and one to be built in North Minneapolis.” In short, it is arguable that ABE in its entirety *is* ‘workforce development’.

Currently, the priority program areas for ABE are:

- **Adult career pathways:** Build basic skills for work through local ABE providers or WorkForce Centers. Other innovative career programming initiatives such as Minnesota FastTRAC includes counseling, social services and college prep skills with basic instruction.
- **Digital literacy:** Minnesota is leading the charge in incorporating digital literacy in the development of its adult learners population – the most notable being the Northstar Digital Literacy standards⁴¹. In addition to being a skill that increases employability, being digitally-literate increases the options for distance learning (particularly for reading, writing, math, and digital literacy classes).

Funding Workforce Development through ABE

The overall federal appropriation trend is in decline. In fiscal year 2014, Congress allocated approximately \$563,955,000 for Adult Basic Education nationally.⁴² Federal funds are provided under Title II of the Workforce Investment Act. Title II is called the “Adult Education and Family Literacy Act”. Federal funding is distributed on a formula driven by the number of adults in the state without a secondary credential. Minnesota has higher graduation rates and a smaller population in comparison to states with higher drop-out rates and/or larger populations.

For fiscal year 2014, Minnesota’s amount of federal ABE funding is estimated at \$4,804,353 (less than 1% of total federal ABE funding).⁴³ Funding-wise, adult basic education in Minnesota is “very fortunate”. Federal regulations require at least 25% match from state funding, but in Minnesota, the ratio is 10:1⁴⁴. In fiscal year 2014, state appropriations amounted to \$47.4 million.

Table 2.0 is a funding table with figures from FY2011 to FY2015, provided in the Overview of ABE in Minnesota document. Funds are relatively stable over the years, though number of students dropped in FY2014.

working on their GED preparation sitting side by side another person working on improving their math skills) There is no fixed class schedule – the students come in and leave whenever.

⁴¹ Northstar Digital Literacy website. URL: <https://www.digitalliteracyassessment.org/>

⁴² DOE Fiscal Year 2014 Congressional Action Table, Pg. 10, URL: <http://www2.ed.gov/about/overview/budget/budget14/14action.pdf>

⁴³ Overview of ABE in Minnesota. URL: <http://www.mnabe.org/sites/default/files/Overview%20of%20ABE%202014.doc>

⁴⁴ Minnesota State Statute 124D.51-52. Minnesota has a statutory provision that requires that if ABE’s programing grows, funding grows by up to 3% annually. Also, for comparison, North Dakota receive only \$0.25 for every federal dollar received.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
State ABE Aid	\$44,864,723	\$45,628,787	\$46,495,881	\$47,433,028	\$48,047,113
Federal ABE Aid	\$4,918,864	\$5,022,396	\$5,085,523	\$4,804,353	\$4,697,800
Grant Programs (EL/Civics)⁴⁵	\$982,196	\$1,018,670	\$1,012,407	\$913,794	\$913,791
Total	\$ 50,765,783	\$51,669,853	\$52,593,811	\$53,151,175	\$53,658,704
<i>Enrollment</i>	74,847	73,323	74,736	69,623	
<i>Student Contact Hours</i>	5,775,962	5,986,652	5,931,207	5,548,927	
<i>Average Annual Cost</i>	\$678	\$705	\$704	\$763	

Table 2.0: Funding from ABE. Taken from Overview of ABE in Minnesota

Funding to these providers is done through approved state ABE consortia single entities or formal networks of local ABE providers (e.g. school districts, community nonprofit organizations, state and county correctional facilities, workforce centers, public colleges, and/or libraries). The approval of these ABE consortia is done annually, though historically these providers remain due to their high performance levels that contribute to excellent continuity and capacity-building opportunities.

There are two primary funding mechanisms. The first is a formula that includes school district population, census no-diploma data, and prior-year learner contact hours.⁴⁶ These funds are typically used to hire teachers, staff and administrators, and education program delivery. Consortia usually raise in-kind contributions from their own communities, with many school districts, workforce centers, colleges and jails donating physical spaces to ABE programs⁴⁷. But investment is not made equally around the state. In 2011, the largest twenty ABE consortia have 88% of total funds and 92% of the state contact hours⁴⁸. These providers become sophisticated, viable partners to the state administrative office.

There are also occasional one-time competitive grants and for the 2013 fiscal year, 46 ABE grants were provided, largely through federal sources.⁴⁹ Specifically, \$3.9 million in federal funds⁵⁰ were distributed to local ABE consortia for direct program funding based on student participation, local technology and accountability aid for local programs⁵¹, and transitions programming⁵² for all ten geographic regions in Minnesota.

⁴⁵ Congress allocates additional federal funding specifically for English literacy and civics education (EL/Civics). For the 2013-14 fiscal year, EL/Civics funding totals \$70,811,239 nationally, distributed to states through a separate formula based on a state's immigrant and refugee population (according to US Dept. of Education budget news).

⁴⁶ ABE funding formula: Minnesota State Statute 124D.531

⁴⁷ Workforce centers, colleges, and jails can be service delivery sites but they do not receive any ABE funds. Most staff from these organizations are employees of the K-12 school district.

⁴⁸ Top 20 ABE programs in Minnesota, FY2011. URL: http://mnabe.org/sites/default/files/TOP_20_PROGRAMS_fy_2011.doc

⁴⁹ Information by Brad Hasskamp

⁵⁰ Minnesota Department of Education – Grants. URL: <http://www.education.state.mn.us/MDE/SchSup/Grant/index.html>

⁵¹ Example of purchase: Database licenses, distance learning licenses, approved assessments

⁵² To assist local programs help ABE students enter job training, postsecondary education, and/or employment

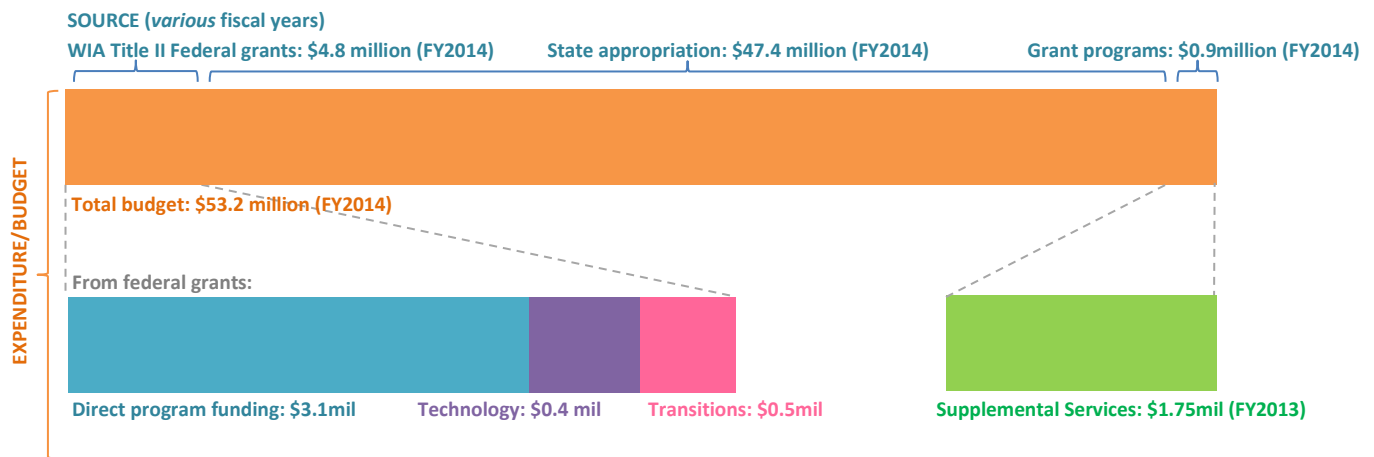


Figure 6.0: Visualization of ABE's budget

In Minnesota, the ABE unit also has the ability to support supplemental services, funded by 2% of the state appropriation to the office (Minnesota Statute 124D.522).⁵³ Occasionally, federal ABE funds are included for supplemental funding, too (eg. fiscal year 2013, \$800,000 in federal leadership funding was made available, thus increasing the state total to \$1.75million, distributed to eight ABE providers.)⁵⁴

While ABE covers a broad spectrum of workforce development elements with a nimble and small budget, there are structural challenges facing the effective provision of these programs – particularly in the creation and determination of secondary credentialing and standards, lack of advisors for the students in its system, and the lack of professional support structure for its teachers.

Credentials (Secondary Credentialing) and Standards

Secondary credentialing often takes the form of credit recovery – the retrieval of one's high school credits to finish off the rest of it – and GED. Credit recovery is an expensive process for both the student and the administrators. The GED recently came under fire with its changes to the administration of the test, and critics did not like the monopoly of the GED market by Pearson-ACE (the creators of GED). Despite the availability of alternatives to GED, currently Minnesota does not accept those credentials.

"Standardized testing only caters to those who are on the higher end of the spectrum - those who are almost ready for the grade test. This causes those on the lower end of the spectrum to struggle," commented Julie Dincau, ABE Transitions specialist. In addition, the standardized tests are rigid, and do not necessarily match the same pool of skills required for certain jobs. "We're accustomed to using one tool with relatively lower-skilled people to determine whether they have the skills they need, be it the GED or the high school diploma," added Jim Colwell, high school credential specialist on the ABE team. Implicit in the ABE team's comments is the ability to differentiate and test a wide variety of work-related skills using a set mechanism with higher-skilled and low-skilled persons.

⁵³ State statute 124D.522 defines supplemental service grants (Minnesota Office of the Revisor of Statutes).

⁵⁴ Examples of supplemental service providers: <http://mnabe.org/supplemental-services>

An attempt to address this is the new Standard Adult High School Diploma. A new law for a Minnesota Standard Adult High School Diploma took effect (Minnesota Statute [124D.52 \(see subdivision 8\)](#)) in August 2014. This new diploma will have a larger focus on experiential learning, and will be a competency-based diploma. (GED is credit-based diploma.) The notion of career pathways programming is at the heart of its design, featuring multiple ways to earn the diploma, including ways catering to the needs of the learner that's not centered on paper-and-pencil tests.

"Groups of stakeholders in the workforce development world are expanding at a tremendous rate too. Sometimes they don't understand the population we all serve and how difficult it is to have someone get the credentials they need. There seems to be a broadly held belief that people without high school diploma just need to get that, and they are just one step away from achieving it."

*Todd Wagner, Director of Adult Basic Education, Minnesota
Department of Education*

Other key standards in the ABE work is the Academic, Career and Employability Skills (ACES), developed out of a need of teachers to identify the knowledge and skills needed for work (including cultural competency). This is based on the transitions integration framework⁵⁵, and was created by stakeholders from ABE, MNSCU, and Workforce Centers. The ABE teachers reacted positively to this, as the ACES standard helps them conceptualize the skill development of their students, particularly those working with low-skilled adults with minimal language skills. With the ACES standard, the teachers are now able to identify necessary skills and what success looks like, with a concrete list of skills that serve as a general guide, making it relatively easy to adopt and adapt. The aforementioned Northstar Digital Literacy Standards (pg. 20, on digital literacy) is another standard that's increasingly used in ABE, as well as the federal College and Career-Ready Standards.

Currently, the ABE system is in a "battle of the standards", given the changing needs to develop and match recognized credentialing with the needs of the job market – particularly in skills development in the workforce.

Professional structure of ABE: Teachers

Minnesota has a talented pool of ABE teachers, but they are often poorly paid. In comparison to their K-12 counterparts, most ABE teachers often work part-time or are contracted by the hour, usually without benefits. Minnesota is in a unique position where its legislation prevents ABE teachers from switching to teach in K-12 schools, and this has helped curb the talent drain in the ABE field. (In other states, this switch is allowed.) According to Brad, "The current pool of ABE teachers remains in the system as a

⁵⁵ Transitions integration framework (TIF) is a framework used to provide guidance to ABE instructors on 'levelling up' the skills and knowledge needed by their students to transition successfully into their post-secondary education and careers. The framework sets out the level of competency the student should be before moving to the next level. URL: http://atlasabe.org/literature_201921/TIF_at_a_Glance

result of dedication, juggling multiple jobs, or a partner or spouse who is supporting the household. This is not sustainable in the long run.”

Advising as an area of need

Another challenge faced by the ABE system is advising. Due to the scarce funds, most of it go to programming and paying for the teachers, resulting in a dearth of advisors or counselors that can provide advisory services to help adult students navigate their ABE choices. The counseling is often left at the hands of job counselors or school counselors (if the ABE location has one), whom may not be aware of the various ABE-related pathways that students can seek. “In most situation, ABE providers had to make the tough choice between hiring more teachers or an advisor, so they usually end up spending their funds on the teachers, and not getting an advisor,” noted Brad.

What's Needed: An Understanding of the Landscape

The ABE team agreed that a holistic, all-hands-on-deck approach to workforce development is necessary to ensure Minnesota has a well-rounded workforce. This begins with a clear understanding of the employment and economic factors and program outcomes – “true, accurate alumni data, available jobs, trends, relevant trainings for these jobs” – followed by building capacity for “people to understand the various pathways that matches *‘who i am, what’s my life circumstances, pathways to take, how much it’ll cost, what’s realistic for me’* to get the participants to the right pathways, and have these pathways scaffold enough that it’s fast and just-in-time, to develop fundamental skills with a good quality occupational training, work experience, supplemented by counseling and wrap-around services”.

For the ABE unit, it is the journey the student takes that matters in getting them to long-term independence. Given its nature of being an all-encompassing entry point to workforce development, this makes them a significant, potential partner for MSPWin.



Minnesota State Colleges & Universities

Broad Educational Options for All Students, Minnesota-wide

The Minnesota State Colleges and Universities (MNSCU) system considers itself to have one of the “most expansive definition of workforce development”, with most of their students in technical or community colleges pursuing short courses or two-year programs to be a part of this. According to Mary Rothchild, its Senior System Director for Workforce Development, the students are “...mostly adults, seeing specific training programs, of an older average age typically 26 or 27 years, not dependent on their parents but independently managing their own family, holding part-time jobs,... and when we look at the demographic of these students, many of our programs will be considered workforce development programs. They are seeking skills for work. Our chancellor speaks of it this way,... stemming from his deeply-held belief that a general liberal arts degree is often not for everyone, and that we have to have broad education options for students of all ages, ethnicity, and background.”

“Workforce development encompasses the work we do to support businesses and industry and individuals seeking specific work-oriented education and training. ...we have broad educational options that have more skills-based training for students of all ages, ethnicity, background... the liberal arts education is not for everyone.”

Mary Rothchild, Senior System Director, Workforce Development, Minnesota State Colleges & Universities

Workforce Development-Type Programs in the MNSCU System

Due to the expansive definition of workforce development used by the system, MNSCU considers the following programs to be “workforce development”:

- **Career Technical Education:** This is funded by the federal Carl D. Perkins Act. This umbrella program supports high school to college transitions for students in career or technical education fields. MNSCU runs CTE programs in cooperation with Minnesota Department of Education, where the funding is divided MNSCU 55% and MOE 45%.⁵⁶ The 26 local consortia of two-year colleges and school districts will then apply for funding annually to support the services and programs related to promoting career and technical education. While the target audience for CTE is wide, including youths and adults, there is a requirement to focus on special populations

⁵⁶ To be confirmed by Mary Rothchild. This is an estimation provided by her during the interview.

that are deemed underserved. Adults tend to fall in these categories. Some of the adult-focused programs include ones in Minnesota FastTRAC and Minnesota Job Skills Partnership Grants⁵⁷.

- **Continuing education and customized training (CE/CT):** Run locally by the MNSCU institutions, the system serves about 6,000 employees yearly and trains more than 150,000 workers⁵⁸. The institutions' CE/CT department (names vary across institutions) work with the employer to identify training needs of the organization, and tailor its offerings to that. Employers can get grants by applying to DEED's Minnesota Job Skills Partnership program that offers cash or in-kind support (to be matched at a one-to-one ratio)⁵⁹.
- **Centers of Excellence:** These Centers of Excellence were created in 2006, led by a state university to partner with community and technical colleges, business and industry, to serve as a hub for state-of-the-art programs and applied research⁶⁰. The areas were in Engineering, Manufacturing, Healthcare and Information Technology. According to Mary, "For the first 6 years, we provided funding to the four centers, but expanded to eight centers two years ago, adding two agriculture centers (north and south), a center in Energy and a center for Transportation. The original four centers were required to report results of their activities annually to the state legislature. We no longer have that requirement, so no formal evaluation has been done for several years. We are planning to do an evaluation this year, however." The students that come through programs or courses via the Centers of Excellence are broad, and not specific to any demography. Funding comes as part of MNSCU's base budget (in the first year of the biennium), but use of the funds are at the initial discretion of the Board of Trustees (then passed down to the Chancellor, then to relevant parties).

The Centers of Excellence provides support services to the industries, too. "We often look to the centers to carry out system-level initiatives in workforce development in areas such as data collection (labor market information), recent industry trends in these industries, and to test new data tools (see Itasca project). Generally, the programs under the Centers of Excellence have a greater proportion of experiential learning in the workplace."

- **ISEEK and CareerOneStop:** both are Web tools for career information, housed within the MNSCU system.

ISEEK (www.iseek.org) is a state website supported by a collaboration of MNSCU, DEED, Department of Education, the University of Minnesota and MnIT. This site has been in existence since 1996, and runs on an annual budget of \$500,000 from all partners. Currently, the funding partners are re-evaluating their ability to support ISEEK, and funding is unlikely to continue beyond December 31, 2014. Mary noted that MNSCU will take over and keep the site up for a

⁵⁷ Pg. 17. URL: http://www.cte.mnscu.edu/MN_State_Plan/documents/Revised_plan_for_web.pdf

⁵⁸ MNSCU Customized Training. URL: <http://www.mnscu.edu/business/customized/index.html>

⁵⁹ MNSCU Customized Training – More Resources. URL: <http://www.mnscu.edu/business/moreresources/index.html>

⁶⁰ MNSCU Centers of Excellence. URL: <http://www.mnscu.edu/business/excellence/index.html>

short period, though this is still yet to be determined. On ISEEK, Mary believed that it has been a great resource “due to its simple language and intentionality on its reading level”, and her biggest fear is “for the career counselors in workforce centers who rely on ISEEK for a quick and precise search on the information they need. Without a one-stop site for these information, this may make search complicated, time consuming, and potentially misleading (especially re: costs of financing various training or education options).”

CareerOneStop (COS) is a federal web platform that was co-managed with DEED via a contract from the US Department of Labor. MNSCU was brought on board as a subcontractor, and this contract will end on November 30, 2014. All operations will then move to DEED.

- **Lumina grant for Adult Degree Completion:** Mary highlighted a four-year grant of \$800,000 received by MNSCU to support adult students, particularly those who have completed at least 15 credits, to return to college and complete their degree. No scholarships were allowed – instead, the funds were used to strengthen marketing and outreach efforts, and in the development of adult-friendly programs and services at the MNSCU institutions. Annual conferences were held, and in 2014 (the final year of the grant), the remaining funds were distributed to hold regional conferences. Currently, Lumina is conducting a final review (with a final grant report due end of March 2015). MNSCU plans to sustain the activities by supporting a 1.0 FTE staff member to focus solely on adult and veterans programming and services.
- **The Itasca Project:** Led primarily by private sector organizations in partnership with public organizations (such as MNSCU) to lead discussions and research on economic competitiveness in the Minneapolis-St. Paul metro area⁶¹. Relevant work in the workforce development area include support for new and better labor market information to help inform the development of new postsecondary programs, support the career exploration and job searching functions of career counselors (in high schools, colleges and workforce centers) and to engage businesses in their advising role to colleges and universities.

Funding Workforce Development in the MNSCU System

The total budget for the MNSCU system for fiscal year 2014 is projected to be \$1.5246 billion, made up of a \$587.9 million appropriation from the Minnesota legislation^{62, 63}, \$836.7million from projected tuition fees⁶⁴, and \$117million from other sources. From these amounts, the total funding (identified by the research team) for programs related to workforce development or to have potential impact on workforce development is \$41.6 million. This includes:

⁶¹ The Itasca Project. URL: <http://www.theitascaproject.com/>

⁶² MNSCU Fiscal Year 2014 Operating Budget. URL: <http://www.mnscu.edu/board/materials/2013/june19/fin-03-opbudget.pdf>; pg. 2 – total biennium 2014-2015 appropriation is \$1.193 billion (9.4% increase from previous biennium).

⁶³ Arguably, two other programs are considered (by MNSCU) to ‘advance the competitiveness of Minnesota’s workforce’: leveraged equipment purchase (available FY2015 for \$7.278 mil) and mental health counseling for farm owners (\$0.188 mil). MNSCU Fiscal Year 2014 Operating Budget, pg. 7.

⁶⁴ MNSCU Fiscal Year 2014 Operating Budget, pg. 17.

- State grant for pilot to increase part-time MNSCU students⁶⁵: \$23million (direct to students)
- Career Technical Education: \$9.5million⁶⁶
- Workforce education priorities (including Centers of Excellence)⁶⁷: \$5.1 million
- Minnesota FastTRAC (each year, for biennium 2014-15): \$1.5million
- Pilot for manufacturing (one time, fiscal year 2014): \$987,000
- Other legislative priorities (that include some vocational training) (fiscal year 2014)⁶⁸: \$1.5 million

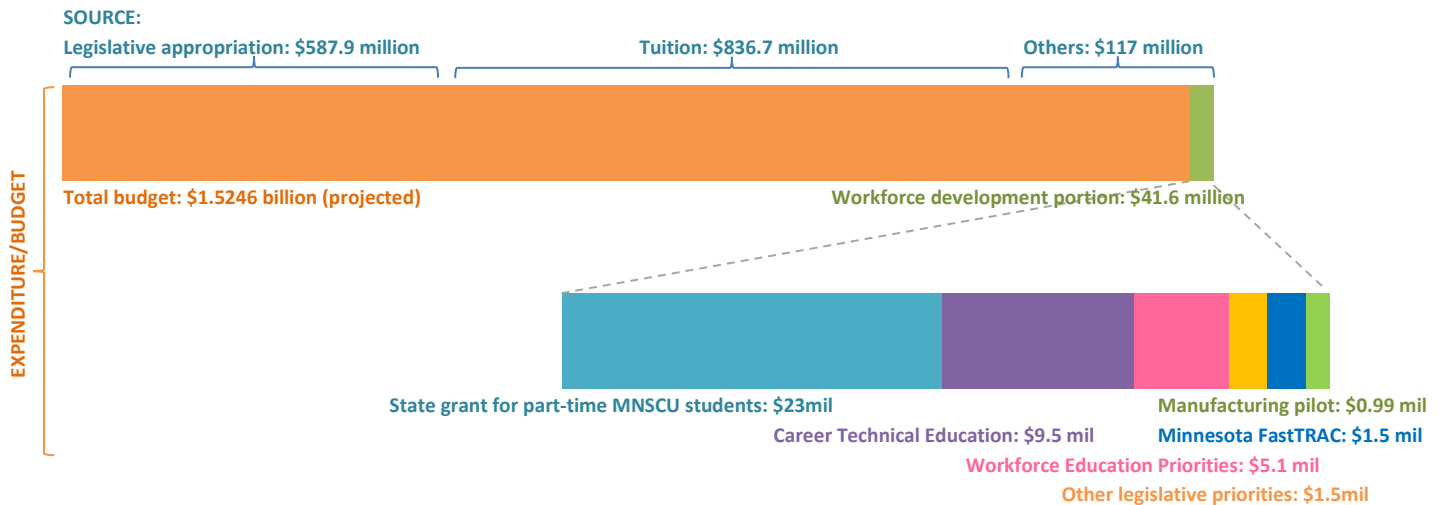


Figure 7.0: Visualization of “workforce development” programs to MNSCU’s budget

This is not including other potentially related programs or sources of funding such as partnerships with corporations, organizations for workforce development programs (via Centers for Excellence and Customized Training), tuition fees specifically for programs identified as workforce development, locally obtained grants (individually, by MNSCU institutions), other federal grants, special projects (those funded by foundations, eg. the Lumina Grant for Adult Degree Completion) and other collaborative projects (e.g. ISEEK and CareerOneStop – both projects no longer have funding beyond 2014, but similar projects like these that span across several state agencies).

⁶⁵ From the Fiscal Year Operating Budget, pg. 5. “The bill prorates the percent of assigned family responsibility to reflect the percent of time the student is enrolled. There will be an estimated 8,300 new state grant recipients at MnSCU institutions resulting from the change to the State Grant formula for part-time students. This is new grant recipients who would not or did not receive a grant under the old system.”

⁶⁶ Administered through Perkins Act. (55% MNSCU, 45% DOE – Mary Rothchild to confirm figures.)

⁶⁷ MNSCU Fiscal Year 2014 Operating Budget, pg. 16.

⁶⁸ MNSCU Fiscal Year 2014 Operating Budget, pg. 17. “...legislative priorities, \$1.5million, directed to Range vocational education, economic development E-Folio, community energy pilots, Cook County higher education and a legislatively-mandated mental health summit.”

“Concierge services and partnerships with community-based organizations”

In defining successful workforce development programs in MNSCU, Mary singled out ones where MNSCU institutions work in partnership with community organizations. These programs often help orient students with ‘navigator’ services – supports in finding childcare, transportation, and other services that assist students with their barriers or challenges. Additionally, these programs are designed around individualized learning needs and the life circumstances of the students. MNSCU institutions are not capable to provide some of the non-academic needs; therefore, by partnering with these community organizations, the programs are able to serve the students holistically.

Examples of community-based organizations that MNSCU institutions have worked with are Goodwill-Easter Seals and HIRED. These programs often have shorter length for initial skills attainment to provide students with a taste of immediate success and the opportunity to see how their learning can be used at their job or future employment. The design intention behind these programs is deliberately bite-sized to keep the motivation and commitment going.

With the challenges faced by the students in mind, a more holistic experience where ‘concierge-type services’ – ones combining the navigator services and guidance in seeking appropriate courses, matching of interest and skills to programs – will better serve them. “I think by doing this, we can see greater success, but I’m afraid the focus has always been on funding faculty and the classroom, and the cuts have been in staff and programs that help students navigate career and academic interests.”

“From the recent research I’ve read about livable wage attainment, you will need about a year of college, about 30 credits or similar credentials, to make a difference in someone’s wage attainment over a lifetime. Usually those 30 credits come from a combination of skills training (about 20 credits) and liberal arts or general education classes (the remaining 10 credits, usually in mathematics, English, communication skills, and writing skills). That’s the gold standard, and the problem is, to get there, you need to pass basic level education to get to a college-level course. That’s a huge barrier – people don’t expect that, and use up their financial aid more quickly. A year of education doesn’t sound like a lot, but if you’re doing full time work, taking one class per semester, now your eight classes will take four years to complete. That’s a long time to persist and especially when you lose your car, or there’s a family emergency, and suddenly the several thousand dollars you hope to spend on your education flies out of the door.”

*Mary Rothchild, Senior System Director, Workforce Development,
Minnesota State Colleges & Universities*

If MSPWin considers funding programs at a local level, ones with characteristics mentioned by Mary are worth looking into.

Into the Future: Working with the MNSCU Institutions

MNSCU's workforce development unit (within the Academic and Student Affairs department) keeps with the MNSCU institutions updated on opportunities and trends but has limited authority. "I keep them very well apprised of what the state priorities are. We don't tell them how to use their money, but we keep them informed of the MNSCU Board's and the state's priorities."

The office also keeps campuses informed about opportunities for federal-level funds. "Several of the centers have private federal grants, as well as federal grants from the Department of Labor or Department of Education to expand their work. That's one of our next big goals – to help them apply for more of these grants, and to continue expanding the work they do in workforce development."



Minnesota Office of Higher Education

Providing access and opportunity to individuals across the spectrum

The **Minnesota Office of Higher Education** (OHE) is ‘a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education’⁶⁹. Its programming philosophy centers on ‘Sharing Responsibility’, where students, their families, and the government (state and federal) share the payment of higher education. When asked about programs specific to workforce development, Meredith Fergus, OHE’s manager of financial aid research said that their programmatic focus is on providing access and opportunities to as many Minnesotans as possible to higher

education. Therefore, there are few targeted programs and, thus, no funding targeting low-wage low-skilled Minnesota residents to pursue education and training opportunities. “In Minnesota, we allow students to choose the program they go into... then we provide the subsidy. (...) The tension we have is the more money we spend on targeted programs, the more we take away from broader programs via the notion of serving all students. That’s not to say that there’s no specific needs, but we always try to evaluate if we can serve groups through the broader-based programs first, before developing smaller programs.”

“We don’t use the workforce development term a lot. We’re more focused on providing access and opportunity to individuals across the spectrum that want to go back to education or training. Most of the education or training will allow them to get better jobs, integral to workforce development, but we don’t use that term a lot.”

Meredith Fergus, Manager of Financial Aid Research and SLEDs Coordinator, Minnesota Office of Higher Education

However, MSPWin’s target groups might well benefit from OHE initiatives. Its largest program, the **Minnesota State Grant**, provides low- and moderate-income Minnesota residents with financial aid to pursue courses through eligible institutions. Minnesota subsidizes \$170 million a year, as provided by the Legislature through the appropriations process.⁷⁰ Other relevant programs in OHE include:-

- The **Postsecondary Child Care Grant Program** helps non-MFIP low-income students to pay for child care while they attend classes⁷¹.

⁶⁹ OHE: About Us. URL: <http://www.ohe.state.mn.us/mPg.cfm?pageID=894>

⁷⁰ Provided by Meredith Fergus.

⁷¹ Child Care Grant. MN OHE URL: <http://www.ohe.state.mn.us/mPg.cfm?pageID=140>

- **The Alliss Opportunity Grant**⁷² is designed for adults who intend to return to school. Provided through MNSCU colleges, this is for adults who are not currently enrolled in a Bachelor's program, who has been out of the school system for more than seven years.
- **Grants for Dislocated Workers** provide financial assistance for adults who are dislocated from a long-held job - this includes retraining and updating job skills. This is held in WorkForce Centers⁷³.
- **Minnesota Indian Scholarship** program for those with at least one-fourth Native American ancestry⁷⁴.

Funding Workforce Development through OHE

For the fiscal year 2013, OHE operates with a budget of \$234.8 million (\$200.5million from state appropriations, \$5.5 million from the federal government, and \$28.8 million from charges for services, e.g. the SELF loan).⁷⁵ All the state funds came through the Minnesota legislature (via the appropriations process). Prior to 2009, Minnesota used to receive \$2 million in subsidies from the Federal government (not including direct financial aid to students from the Federal government, such as Pell grants). The total amount disbursed through the Minnesota State Grant is \$161.4 million.⁷⁶

Assuming most “workforce development”-type programs pursued by MSPWin’s targeted demography are *within* the MNSCU two-year colleges, the budget received through these institutions are \$33.9mil through the grant (distributed to 45,668 students, or 46% of State Grant recipients).⁷⁷ Other expenditure in fiscal year 2013 of relevance includes the Child Care grant, at \$5.88 million. Therefore, we can assume that \$39.8 million potentially goes out as financial aid for “workforce development” purposes. (See Figure 8.0 for visualization of the funds.)

The question of direct funding for workforce development was of interest to the 2007 state legislators and the Office of Higher Education was directed to investigate financial aid incentives for workforce development (Laws of Minnesota, 2007, Chapter 144, Article 1, Sec. 9). The research found that “in general, Minnesota has chosen not to link financial aid to workforce development but instead allow students to make education and career choices guided by personal interests and labor market conditions”.⁷⁸ In places where direct incentive programs existed, they were mostly found in the Department of Health and healthcare-related jobs and professions.

⁷² Alliss Opportunity Grant: <http://www.ohe.state.mn.us/mPg.cfm?pageID=1458>

⁷³ Grants for Dislocated Workers. MN OHE URL: <http://www.ohe.state.mn.us/mPg.cfm?pageID=142>

⁷⁴ Minnesota Indian Scholarship Program. MN OHE URL: <http://www.ohe.state.mn.us/mPg.cfm?pageID=149>

⁷⁵ OHE Financial Statements for FY2013. URL: <http://www.ohe.state.mn.us/pdf/OHEauditFY13.pdf>

⁷⁶ From pg. 9: “...the percent of recipients receiving a Minnesota State Grant will rarely equal the percent of State Grant dollars by type of institution attended. State Grant awards are based on the average tuition and fees charged to a student or the tuition and fee maximums established in law. Students receive a State Grant in proportion to the tuition and fees charged. Students with lower average tuition and fee charges will receive a smaller percentage of total State Grant funds (e.g. MNSCU two-year colleges). Students with higher average tuition and fee charges will receive a greater percentage of total State Grant funds (e.g. University of Minnesota).”

⁷⁷ Postsecondary Institution Choice, State Grant End of Year Statistics. Pg. 9. URL: <http://www.ohe.state.mn.us/pdf/state-grant-statistics-2013.pdf>

⁷⁸ Financial Aid Incentives for Workforce Development, MN OHE, Pg. 9

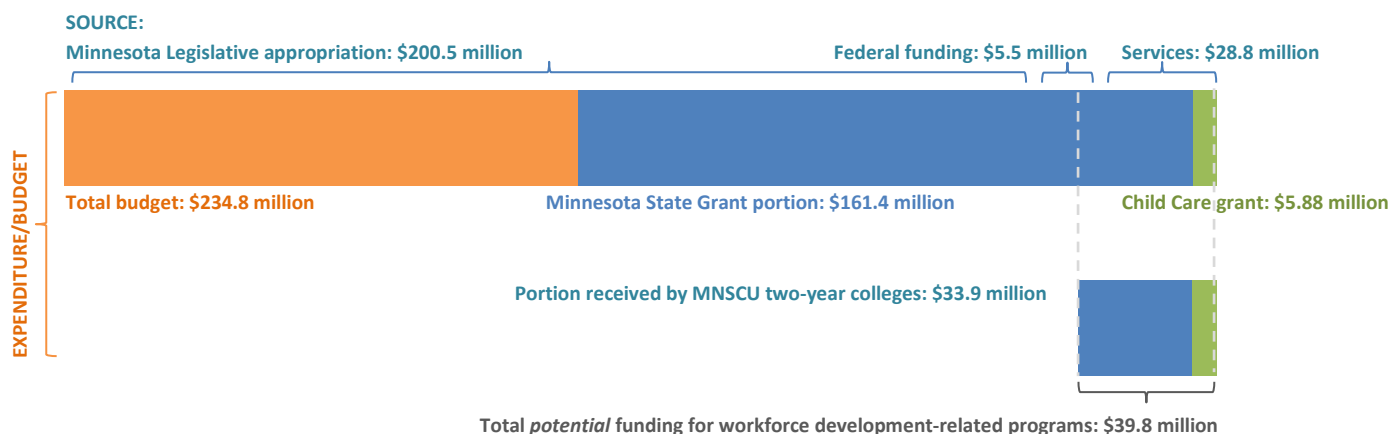


Figure 8.0: Visualization of “workforce development” financial aid to OHE’s budget

Data-Driven Policy-making via SLEDs?

MSPWin’s focus on standardized outcome reporting and evaluation can be bolstered by one of OHE’s statewide project, the **Minnesota Statewide Longitudinal Education Data system** (SLEDs; accessible via <http://sleds.mn.gov/>). SLEDs is a joint project with DOE, DEED, and OHE, with the purpose of consolidating education and workforce data to “identify the most viable pathways for individuals in achieving successful outcomes in education and work, inform decisions to support and improve education and workforce policy and practice, and assist in creating a more seamless education and workforce system for all Minnesotans.”⁷⁹ Launched in June 2014, the upcoming legislative session (of 2014-2015) will be the first to use SLEDs. Currently, SLEDs is managed by three full-time staff, one each from the three state agencies involved. SLEDs was initiated by the US Federal government, who invested \$4million into the creation of the SLEDs system, and its maintenance is now funded by state at \$982,000 a year⁸⁰. According to Meredith, “SLEDs helps us monitor the outcome side of the education equation. Two focus: #1 being high school to college transition - are we ensuring students of low income or students of color are making it *to* college and making it *through* college... and #2: Are college grads whom we subsidize... are they finding full-time year-round employment at sustainable wage level?” If successful, SLEDs can be used by MSPWin as an argument for the use of good data to create impact.

Work-in-Progress to Keep an Eye Out For

OHE’s programs – in terms of who they fund and how the recipients are funded – will not be affected by the changes from WIA to WIOA. Yet, OHE is working with DEED to identify the gaps on outcomes for various demographics. A report to be published in January 2015 looks at the **education and employment outcomes for individuals aged 25 years and older**. Some of the key areas the report will look at are pre-enrollment (baseline) statistics and their economic and employment outcomes after completing their education. This report was commissioned by the previous legislative session.

⁷⁹ From the main page of SLEDs. URL: <http://sleds.mn.gov/>

⁸⁰ Figures shared by Meredith Fergus



Minnesota Department of Corrections

Creating opportunities to return to the community

Within the Department of Corrections, the workforce development-related programs intend to provide pathways for offenders to transition successfully back into their communities. When offenders enter Minnesota's prison system, they are advised about programming opportunities, including work release, during orientation sessions that occur at the time of intake. DOC also regularly holds transition fairs, which provide offenders with information about the availability of community services and programs such as work release. When offenders are within at least one year of their supervised release date, they may submit applications to enter the work release program.

Research done by the DOC on the Work Release program showed a “significantly reduced, albeit modestly, the risk of reoffending with a new crime, and significantly increased the odds that participants found a job, the total hours they worked, and the total wages they earned”.⁸¹

Building Blocks to a Long Return

There are three programs that can be considered workforce development-related in DOC relevant to MSPWin's interests: the Sentencing to Service program, the Institutional Community Work Crew program, and the Work Release program.

The **Sentencing to Service (STS)** program serves as an alternative for courts throughout Minnesota that “puts carefully selected non-violent offenders to work on community improvement projects. Because Judges sentence offenders to STS as an alternative to jail or fines, in combination with jail time, or as a probation sanction, it is a public works program.”⁸² The offender crews are closely supervised, and spend their time working in parks and other public areas on tasks such as litter pickup, river cleanup, trail development, flood control, storm damage cleanup, and work on public senior citizen housing. Arguably while some of the assigned tasks may not develop an offender's job skills or improve employability, they provide opportunities to practice basic skills such as timeliness, completion of tasks, and a way to build work experience while serving time. Additionally, the work hours put in by the offenders on the Sentencing to Service program has been valuable to Minnesota – in fiscal year 2010, more than 22,000 offenders took part in this program, providing 890,000 hours of labor.

⁸¹ The study also showed “that work release significantly increased the hazard of returning to prison for a technical violation” (though due to the fact that the current program takes time away from other support services such as cognitive-behavioral programming or chemical dependency treatment), and “it did not have an impact on hourly wage”. URL: http://www.doc.state.mn.us/PAGES/files/4213/9414/4738/Work_Release_Evaluation_DOC_Website_2.pdf

⁸² STS brochure. URL: <http://www.doc.state.mn.us/PAGES/files/5113/6586/1810/1-11STS.pdf>

The **Institutional Community Work Crew** program is a program modeled after the **STS**.⁸³ Operated by DOC, it is financed jointly by the department and participating local units of government and/or non-profit agencies. Some examples of work in the ICWC program include construction projects, park and trail maintenance, timber improvement, and other forms of land management. The projects in ICWC are not listed on the work scheduled by government agencies (for security purposes). In ICWC, “carefully selected, non-dangerous, minimum-security inmates work on crews” are supervised by a DOC crew leader, with the intention to teach social and work skills and assist the communities in their projects. The work is paid up to \$1.50 per hour, to which the offenders will have to use to pay family support, restitution, and fund for victims.

A spin-off initiative is the **ICWC Affordable Homes Program**, operating on the same principles but targeted specifically to provide vocational and educational instruction and training in residential construction, also intended to help offenders transition back to their communities. The impact on the offender’s employment is present: they have “significantly higher odds of gaining employment in a construction-related field (i.e., 2.62 times greater odds for program completers and 2.42 times greater for all participants,) than members of the comparison group but did not have significantly higher odds of gaining employment in ‘any field’”.⁸⁴

The **Work Release Program** (Minnesota statute 241.26) assists offenders to transition successfully from prison life to community life. Select offenders (low risk, non-predatory, with non-sexual crimes, among others) are eligible for work release within eight months of their supervised release date.

Offenders are placed in a work release facility and are expected to seek employment immediately. If he or she faces difficulties in securing employment, they will be referred to community programs that will help build job-seeking skills. Most offenders in the Work Release program found work within two weeks. Throughout their time in the program, offenders earn allowance to limited pass activity in the community if they demonstrate continuous positive behavior.⁸⁵

Education in the Corrections system

In addition to work experience-type programming, DOC places a high emphasis on education as part of its programming for offenders. The Education Directives⁸⁶ (as part of the Offender Programs) states that the “...minimum educational standard for all DOC offenders is a verified high school or GED diploma. The educational goal for all DOC offenders is preparation for and/or completion of post-secondary training or education. Adult facilities will provide eligible incarcerated offenders with comprehensive educational programming including literacy, General Education Development (GED) and high school diploma,

⁸³ ICWC brochure. URL: http://www.doc.state.mn.us/PAGES/files/6113/7971/2216/09-13_ICWC.pdf

⁸⁴ An Evaluation of ICWC’s Affordable Homes Program. URL: <http://www.doc.state.mn.us/PAGES/files/large-files/Publications/12-10ICWCAHPreport.pdf>

⁸⁵ Work Release Factsheet. URL: <http://www.doc.state.mn.us/pages/files/6313/6586/2224/WorkRelease.pdf>

⁸⁶ http://www.doc.state.mn.us/DocPolicy2/html/DPW_Display_TOC.asp?Opt=204.040.htm

Special Education, transition to post-secondary, post-secondary, enrichment, and other programs designed to prepare offenders for successful reentry into society.”

Funding for Workforce Development in the Corrections System

Through the general fund appropriations process, the overall Department of Corrections budget for FY2015 is \$487.3 million⁸⁷. Under the Institutions section, \$6.5 million is awarded for education purposes. Assuming that education programming can be considered “workforce development”, the total portion of workforce development funds in the DOC system is \$14.19 million.

SOURCE:

Minnesota Legislative appropriation: \$487.5 million

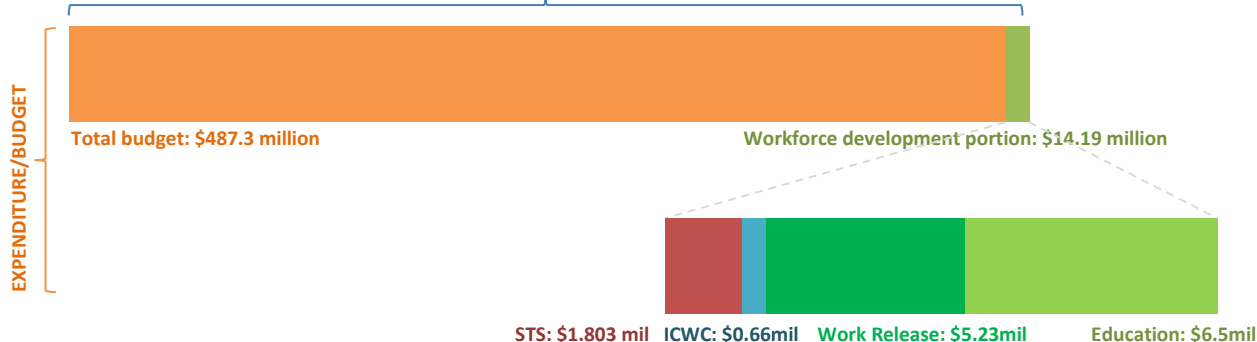


Figure 9.0: Visualization of “workforce development” programs to DOC’s budget

⁸⁷ MN DOC Budget, Fiscal Year 2014-2015. URL: <http://www.doc.state.mn.us/pages/index.php/about/budget/>



Implications

What can we do to get adults back to self-sufficiency?

Recently, the Department of Labor released a report on its assessment of what's needed for adults to get jobs:⁸⁸

- “A **post-secondary education**, particularly a degree or industry-recognized credential related to jobs in demand, is the most important determinant of differences in workers’ lifetime earnings and incomes;
- **Flexible and innovative training** and postsecondary education approaches, such as contextual learning and bridge programs are expanding and show promise;
- The more closely training is **related to a real job** or occupation, the better the results for training participants;
- Employer and industry **engagement strategies** may improve the alignment of training to employer needs;
- Since there is no single job training approach that is right for all workers, having access to **accurate and up-to-date labor market data**, as well as information and guidance about career and training opportunities, can help individuals make better decisions about training and lead to better outcomes, and can help policymakers and program administrators plan accordingly; and
- Lower-skilled individuals and those with multiple barriers to employment benefit from **coordinated strategies across systems**, and flexible, innovative training strategies that integrate the education, training, and support services they need to prepare for and succeed in the workplace.”

It is no surprise that we see some of the themes mirrored here with the analysis of the six Minnesota state agencies. Most of the interviewees mentioned these themes as areas where the workforce development policy field can improve upon to better serve their participants, particularly low-wage, low-skilled adults of color:

Communication and collaboration across agencies

Most of the services provided by state agencies overlap – be it a MFIP participant going for an English-as-Second Language (ESL) course provided by an ABE-approved organization, a mother receiving wraparound services through the Minnesota FastTRAC program, a young parent pursuing a nursing

⁸⁸ ‘What Works in Job Training: A Synthesis of the Evidence’. Published July 22, 2014. URL: <http://www.dol.gov/asp/evaluation/jdt/jdt.pdf>

“A program like FastTRAC helps create an authentic creative workspace for us to work together. The question is how we maintain that common workspace, because otherwise we’ll retreat into our silos, and that doesn’t help overcome the barriers of working together. We need mechanisms like Shifting Gears or FastTRAC, or some other quasi-leadership entities to keep bring us together over and over again.”

Todd Wagner, Director, Minnesota Department of Education – Adult Basic Education

certificate from a MNSCU community college with the help of a Minnesota State Grant, or a recently-released offender working towards accreditation for his GED – the nature of the success of these programs are in part due to the ‘overlaps’ in the network.

With WIOA taking effect soon, the intention of the federal government is to tighten up these networks and consolidate some of these less formal ways of working together. Consistent, frequent, and better ways of

communicating and collaborating across agencies are crucial to ensure a smoother transition into WIOA.

Better career pathways suited to the needs of the individual

This acknowledges that the adults who are seeking workforce development opportunities come with various levels of current skills, knowledge, strengths, barriers, resources, motivation, and commitment. This is the concept of multiple entry-points, made to suit the diverse range of potential students, and help them get to where they want to be in a way that is attainable. This too can include the creation of standards and programs that are more work-relevant, various entry paths, scaffolding of the career pathways, provision of guidance, and a system of policies geared towards long-term results.

The need for wraparound services

This includes support services that acknowledge the multi-faceted challenges faced by adults seeking workforce development opportunities. Advisors (academic and career), child care assistance, transportation, mental health services, and other services like these help to manage the multiple barriers students face in accessing and maintaining education and training. The method of delivery can be varied – physical facilities and staff, in combination with virtual spaces (such as portals and websites that are user-friendly and accessible to its intended audience).



Recommendations for Phase 2 and Conclusion

Where should this research turn next?

From the research and preliminary discussion with MSPWin, these are potential ways to proceed in the second Phase of research for this project. These are proposed options, but a final decision about the usefulness of any approach needs to be made by the MSPWin work group or policy committee.

Option #1: Stick to original Phase 2

Original Phase 2 research topic: in-depth interviews with key players in the six state agencies to gather a more comprehensive picture of each agency's role in the Minnesota workforce development field. From the research, we will develop policy advocacy and investment strategies for MSPWin's consideration.

Variation #1: Focus on one or two state agencies. In the September 4, 2014 meeting, the management and board of MSPWin indicated interest in MNSCU and Department of Education's ABE as potential state agencies for further research, with the intention to focus on the legislations and funding impacting their workforce development efforts.

Variation #2: Throughout the interview process with the interviewees in Phase 1, there were recommendations to speak to other relevant stakeholders in the policy field that were not part of the six state agencies. Some suggestions include workforce centers, adult basic education providers, technical and community colleges, community organizations, advocacy groups, and the Government Work Force Council. Some suggested research directions include understanding the roles of these stakeholders, learning more about cutting edge projects that are currently taking place, frontline staff challenges in serving their communities, and so forth.

Option #2: MSPWin and the State Unified Strategic Plan

Part of a major policy change in WIOA is the requirement that states come up with a unified plan ‘to align all the core workforce programs, including education, job training, and employment services’. Local and state WIA plans remain in effect for PY2015, and the new State Unified Strategic Plan is to be submitted for PY2016, which begins July 1, 2016. WIOA authorizes appropriations for each fiscal year of 2015-2020, increasing by a total of 17% over the time period. Therefore, MSPWin can investigate its potential role in shaping this State Unified Strategic Plan in Minnesota, and help facilitate the broader conversation across these key agencies on the need for collaboration, communication, and better ways to work together. This option, however, may take a significant amount of time, and will require additional investment to pursue.

Option #3: End research.

When this project was started, one of the assumptions was that the knowledge in this policy field was knowable. However, as we documented our research for Phase 1, it is clear that there are so many interpretation of workforce development. We are not sure if additional research into this policy field will yield further (or different) insight into this matter.

Overall, workforce development is not easily defined. Each state agency has a different perception of what it is, and thus affecting their approach to it. While some of the perception are a result of organizational values and culture, the impact of the workforce development policy field’s history via the creation of policies, programs, partnerships, and players in reaction to the emerging needs of its time further drives the agencies (and the other stakeholders in this area) deeper into their silos *while* working together. Most recently, the WIOA is the federal government’s attempt at bridging these gaps and pulling it all together.

Nonetheless, everyone interviewed was optimistic that times are good for Minnesota. The state is still ahead of the pack, with innovations emerging from the frontlines and local governments, and good state-level collaborations such as Minnesota FastTRAC cited as exemplary efforts. With continuous and renewed energy in developing Minnesota’s workforce, particularly among low-wage, low-skilled adults of color, the future remains a bright and hopeful one.

Technical Appendix

Some research caveats

On fiscal numbers

The fiscal numbers presented in the report was obtained from a rigorous process. As discussed with the MSPWin management and board, the numbers are compiled and presented in the best manner possible, given the complexity of funding in this policy field. Sources of these numbers are included for further reference.

On “workforce development” programs

The team made choices on which programs they consider as “workforce development”-type programs within the six agencies. Given the various interpretations of the term itself, the team decided on programs that closely serve the demography of MSPWin’s interest (low-skill, low-wage adults of color).

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