

STATE OF MINNESOTA
DEPARTMENT OF JOBS AND TRAINING

IN THE MATTER OF THE PROPOSED RULES
RELATING TO YOUTH EMPLOYMENT
OPPORTUNITY, MINNESOTA RULES
PARTS 3300.0100 to 3300.0601

STATEMENT OF NEED
AND REASONABLENESS

INTRODUCTION

These rules are presented by the Department of Jobs and Training (DJT) in accordance with the provisions of the Minnesota Administrative Procedures Act (APA), Minnesota Statutes § 14.22 to § 14.28. The proposed rules have been developed pursuant to Minnesota Statutes § 268.33 as amended by Laws 1985, First Special Session, Chapter 14, Article 9 (Omnibus Jobs Act), which authorize the commissioner to make permanent rules to implement the Youth Employment Opportunity Program.

Because the proposed rule will have no effect on small businesses, section 14.115 of the APA does not apply.

DISCUSSION

3300.0200 PURPOSE

The purpose statement has been revised to include the statutory authority for the program and to delete references to operating procedures not covered by the rule.

3300.0300 ALLOCATION OF FUNDS

Subpart 1. Item B (3) is added to adjust for the migration of postsecondary school students between counties, where they are counted by the census in March and April, to their home counties where the program is active during the June to September period. This adjustment factor lends greater accuracy to the process of allocating funds to the county level.

Subpart 1. Item C provides a mathematical statement of the allocation to counties. A decision to include the formula was to ensure that in addition to explaining how funds are allocated in narrative form (subpart 1, items A and B), interested parties are informed of the exact data and computations the department uses in this process. The formula that is incorporated in the rule was developed by the department many years ago in response to the passage of the first summer youth legislation in 1973. It has been successfully employed with only minor modifications since that time.

The allocation process incorporates the objective of allocating funds to promote employment of youth in the summer months. For purposes of this bill,

youth are defined as those between the ages of 14 and 21 inclusive. Also the allocation is to give weight to consideration of economic hardship and difficulty between counties in seeking and obtaining employment. Thus the process proceeds in two parts. The first part allocated half of the fund among counties based simply on their share of the total youth population of the state with no adjustments. For example, if a county had ten percent of the total state youth population and if the allocation was from a fund of two million dollars, the county would receive ten percent of half of the fund (one million dollars), or 100,000 dollars.

The second part of the process allocates the other half of the fund. This half is allocated based on two adjustments. The first adjustment is meant to take account of poverty and unemployment. Thus, the youth population of each county is multiplied by the county's unemployment rate and the fraction of its families with children between 5 and 17 years of age whose family income is below the poverty level. This has the result of giving more dollars to counties with high unemployment and high poverty levels among youth population families.

The second adjustment is a technical adjustment. It recognizes that the census counts county population based on where people are living in the months of March and April. Therefore, for youth away from home and at schools, the census counts these as living in the county of residence (near the school location) during the school year. Many of these students will return to the counties of their parent's (or home) residence in the summer, and that is where they will be residing during the activation of the summer youth employment program. The second adjustment is necessary in order to correct for this deficiency in the census, when considered against the purposes of the program. The adjustment is made to only the allocation of the second half of the fund in recognition that the correction is imperfect due to data limitations and only represents a step in the right direction. After each county's youth population is adjusted the result is the county adjusted youth population. From the second half of the fund each county receives an amount equal to its proportion of total state adjusted youth population.

The total allocation to each county is the sum of the two allocations described above.

The allocation to cities and Indian reservations is based on the share that each subcounty jurisdiction is of total county population. Even though there are some data limitations with respect to these two target populations

3300.0400 CONTRACTING

The language in this part has been revised to emphasize desired coordination at the local level in the delivery of state and federal summer youth employment programs. The change reflects a desire to maximize resources available to youth and local employers.

3300.0500 OPERATION PROCEDURES

Subparts 1 and 2. The language has been revised to require that at least 60 percent of the youth employed on the program should be from families which

meet the definition for economically disadvantaged as established under Public Law Number 97-300, section 4. Those "most in need" of the services available through this program should receive priority consideration. Most in need is defined as youth from families at or below the poverty level.

Subpart 3. Eligible youth. The language has been revised to emphasize that recruitment of eligible youth for the program shall be a cooperative effort between the local Job Service and the contractor(s) selected to deliver the program. The change reflects the desire for joint recruitment for state and federal summer youth employment programs.

Subpart 5. Supervisors. The rule has been modified to allow youths designated as supervisors to be paid the federal minimum wage plus 65 cents per hour for up to 40 hours per week for a period not exceeding 12 weeks. The change allows contractors the flexibility to compensate supervisors at a level which approximated the rate paid under the federal summer youth program.

Subpart 6. Employment of eligible youth. The rule has been clarified to reflect the fact that eligible youth may be employed upon signature of the contract by the agency selected to operate the program locally. Language, which, restricted operators to employing only youth referred by the Job Service has been eliminated.

3300.0601 SUPPORT SERVICES

The rule has been revised to clarify that contractors shall not be required to provide support services to eligible youth when funds received under the program have been exhausted.