MINNESOTA MOMENTUM:

Aligning Opportunities and Resources for Minnesota's Workforce



GWDB's 2017 Report to the Legislature as required by Minnesota Statutes 116L.665, Subd. 4



TABLE OF CONTENTS

Introduction	3
Recommendations	4
SECTION 1: Minnesota's Assets: The Future Workforce	5
SECTION 2: The History of the Workforce Investment Act (WIA) and the enactment of the Workforce Innovation and Opportunity Act (WIOA)	10
SECTION 3: The Governor's Workforce Development Board: Responsibilities and Governance	13
SECTION 4: Strategic Planning at the State, Regional and Local Level	17
Endnotes	20

ABOUT THIS REPORT

Minnesota Momentum is a collaborative work of the Governor's Workforce Development Board, its Executive Committee, and the Minnesota Department of Employment and Economic Development.

GWDB EXECUTIVE COMMITTEE

Laura Beeth, Chair

Dennis Siemer, Vice Chair

Charlene Briner, Deputy Commissioner, MDE

Steven Ditschler, President and CEO, ProAct, Inc.

Shawntera Hardy, Commissioner, DEED

Larry Hosch, Agency Policy Specialist, DHS

Elizabeth Kautz, Mayor, City of Burnsville

Steven Rosenstone, Chancellor, Minnesota State

Mary Russell, Director, Organization Effectiveness & Leadership Support, Health Partners

THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD

The Governor's Workforce Development Board (GWDB) has a responsibility to advise the Governor on Minnesota's workforce system.

The Board represents key leaders from business, education, labor, community-based organizations, and government. The GWDB has statutory responsibility under the federal Workforce Innovation and Opportunity Act (WIOA), which provides leadership on opportunities and key workforce strategies for the state. The Board provides a venue for workforce stakeholders building on a shared vision and mission.

The GWDB is mandated and funded by the federal Workforce Innovation and Opportunity Act (WIOA) and further defined by Minnesota Statutes, section 116L.665.

More information can be found at www.gwdc.org

The total cost of salaries, printing and supplies in developing and preparing this report was \$6,500. (Reported as required by Minnesota Statutes 116L.665, Subd. 4.)

CHAIR AND VICE CHAIR

Laura Beeth. Chair

System Director for Talent Acquisition Fairview Health Services St. Paul

Dennis Siemer, Vice Chair

President and CEO V-Tek Incorporated Mankato

MEMBERS

Rita Albrecht

Mavor City of Bemidji Bemidji

Lemuel Amen

President and CEO Viking Engineering & Development Fridley

Mo Amundson

Owner and Consultant **Education-To-Careers** Rochester

Shirley Barnes

CEO

Crest View Senior Communities Columbia Heights

Luann Bartley

Director of Workforce Development MN Precision Manufacturing Assoc. Minneapolis

Dr. Vance Boelter

Executive Northern Tier Energy St. Paul Park

Brenda Cassellius

Commissioner MN Department of Education Roseville

Mariaha Dean

Owner Eden Resources, LLC St. Paul

David Debevec

VP Human Resources, Safety Director Ulland Brothers, Inc. Virginia

Steven Ditschler

President and CEO ProAct, Inc. Eagan

Robert Evans

VP Human Resources Marvin Windows and Doors Warroad

Mary Ferguson

Director of Recruitment and Staffing Support Essentia Health Duluth

Twvla Flaws

Manager, Human Resources **Clow Stamping Company** Merrifield

Jamil Ford

President Mobilize Design & Architecture,

Minneapolis **Bob Gunther**

State Representative Minnesota House of Representatives St. Paul

Pakou Hang

Founding Director Hmong American Farmers Assoc. St. Paul Minneapolis

Shawntera Hardy

Commissioner

MN Dept. of Employment and **Economic Development** St. Paul

Samuel Heimlich

Business Representative North Central States Regional **Council of Carpenters** St. Paul

Russell Hess

Political Coordinator Laborers District Council St. Paul

John Hoffman

State Senator Minnesota Senate St. Paul

Dr. Merrill Irving, Jr.

President Hennepin Technical College Brooklyn Park / Eden Prairie

Lorrie Janatopoulos

Bush Fellow Women's Economic Security Representative Eveleth

Dr. Eric Kaler

President University of Minnesota Minneapolis

Elizabeth Kautz

Mayor City of Burnsville Burnsville

Anne Kilzer

Director

Minnesota Workforce Council Assoc. St. Paul

Sanjay Kuba

Executive Consultant SK & Associates & Par Systems St. Paul

Jennifer Lang

President and Owner Minneapolis Glass Company Minneapolis

Ruby Lee

President Comunidades Latinas Unidas En Servicio (CLUES)

William McCarthy

President Minnesota AFL-CIO St. Paul

Carla Nelson

State Senator Minnesota Senate St. Paul

Loren Nelson

President Aurelius Manufacturing Co., Inc. Braham

William Nelson

CEO Mille Lacs Health System Onamia

Eric Nesheim

Executive Director Minnesota Literacy Council St. Paul

Tuleah Palmer

Executive Director Northwest Indian Community Development Center Cass Lake

Scott Parker

Business Representative International Union of Painters and Allied Trades Rochester

Emily Piper

Commissioner MN Department of Human Services St. Paul

Edward Reynoso

Political Director Teamsters Joint Council 32 Minneapolis

Todd Riemann

MTU Onsite Energy Mankato

Dr. Steven Rosenstone

Chancellor Minnesota State St. Paul

Mary Russell

Director, Organization Effectiveness & Leadership Support **Health Partners** Bloomington

Roy Smith

Director, Workforce Development Iron Range Resources and Rehabilitation Board **Fveleth**

Traci Tapani

Co-President Wyoming Machine, Inc. Stacy

Dr. Rich Wagner

President **Dunwoody College of** Technology Minneapolis

Andy Wells

President and CEO Wells Technology Bemidji

Jennifer Winkelaar

Director, Marketing and **Public Relations** Minneapolis Building Trades Minneapolis



Dear Governor Dayton and Members of the Minnesota Legislature:

We are pleased to present the Governor's Workforce Development Board 2017 Report, a call to action for government leaders, business and industry, the education community, workforce organizations, and community-based organizations. These entities have an opportunity, under the Workforce Innovation and Opportunity Act (WIOA), to shape the workforce development system in Minnesota so it aligns with our diverse assets and matches the critical needs of employers. It can no longer be business as usual and, with a wealth of educational, technological and training resources available, the workforce development system is well-positioned to succeed.

This publication identifies solutions that support the state's commitment to build an economy that works for all Minnesotans now and for decades to come. By submitting this report, the state board is fulfilling its mission to analyze and recommend workforce development policies to the Governor and Legislature in the areas of talent development, resource alignment and system effectiveness to ensure a globally competitive workforce for Minnesota.

The report is divided into four sections: 1) Minnesota's Assets: The Future Workforce, 2) The History of the Workforce Investment Act (WIA) and the Enactment of the Workforce Innovation and Opportunity Act (WIOA), 3) The Governor's Workforce Development Board: Responsibilities and Governance, and 4) Strategic Planning at the State, Regional, and Local Level.

We hope the report generates thoughtful dialogue and, ultimately, results. We respectfully ask you to consider our recommendations, and we encourage your feedback and support.

Sincerely,

Laura Beeth

Chair, Governor's Workforce Development Board

mnie Ireland

Connie Ireland

Executive Director, Governor's Workforce Development Board

Shawntera Hardy

Commissioner, Minnesota Department of Employment and Economic Development

INTRODUCTION

Minnesota Momentum builds off previous Governor's Workforce Development Board reports directed to Minnesota lawmakers outlining the imminent crisis facing the workers, employers, and educational institutions in our state due to a labor shortage in critical industries. Employers are finding that job applicants often have inadequate training, education, and career experience to fill vacancies. And, this reality makes it difficult to fulfill the State Vision of a family-sustaining wage. This report offers recommendations on strategies and actions to confront socio-economic challenges, business concerns, and the tightening of funding at the state and federal level.

Minnesota has a long-standing history of being a leader in workforce development. The state also has one of the most well-educated populations in the United States. Yet, it continues to be among the states with the most significant educational gaps between white students and students of color.¹

Poverty and lack of educational attainment—in urban and rural areas—are persistent and carry over into the world of work as students proceed through a K-12 educational system not equipped with the resources to address individual needs. A holistic approach is needed in order to pull students, who will eventually enter the workforce, off the economic sidelines.

Minnesota's Changing Demographics

According to Susan Brower, the state demographer and director of the Minnesota State Demographic Center, in 2014 Minnesotans of color made up 19 percent of the state's population and jointly reached a major milestone — topping 1 million residents for the first time. "Minnesotans of color" are those who self-identify as Hispanic/Latino, and/or American Indian, Asian, African-American or black, alone or in combination with another race.²

The realization of the state's shift in population has led to creation of programs that make it possible for many individuals of color to achieve their academic and professional potential. The state's economy, however, is being negatively impacted by the aging population and retirement of many in the baby boom generation. The supply of younger workers is

not keeping pace with those exiting the workforce. And, according to a recent report from the University of Minnesota's Office for the Vice President of Research, filling job vacancies will be even more challenging if there is not significant growth in migration to Minnesota in the future.³

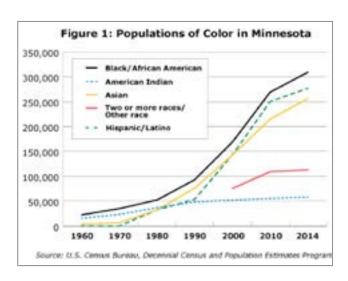
These challenges threaten business growth and the economic prosperity of communities across our state. Attention must be paid to high demand, high growth fields of study, occupations, and professions.

Unemployment and Income

Minnesota's unemployment rate was 3.8 percent in November 2016, on a seasonally adjusted basis. This is compared to 4.6 percent nationally. Some racial and ethnic groups face greater challenges as is evidenced by the 8.3 percent unemployment rate among Black residents. Hispanic unemployment remained steady at 6.0 in November. The percentage of Minnesotans with disabilities who are unemployed but actively looking for a job is 13.0 percent. Nationally, the unemployment rate for male veterans is comparable to the general population. The unemployment rate for female veterans, however, is slightly higher at 5.6 percent.

Minnesota unemployment rates by race or ethnicity as of **November 2016**:

- Black or African American, 8.3 percent
- Hispanic or Latino, 6.0 percent
- White, 2.9 percent
- All workers statewide, 3.8 percent⁷



The median annual household income in Minnesota in 2014 was \$61,814, which ranked ninth nationally.⁸ The Twin Cities, in particular, rates high for median household incomes. In a comparison of 280 U.S. metropolitan areas, the U.S. Census Bureau found that Minneapolis-St. Paul had the fifth-highest median household income in the country.⁹

A Best Practices Approach

This report offers examples of best practices on a program and system level. ¹⁰ The observation of best practices is a form of evaluation that is often useful in the workforce development environment to determine what is working, why it's working and how it might apply to other agencies/organizations that are part of the larger system. ¹¹ Positive results often lead to standardized procedures and strategies such as those incorporated into the State Combined Plan and the GWDB's Strategic Governance Guide.

RECOMMENDATIONS

RECOMMENDATION 1: Close the gaps in education and employment attainment via intentional investments in apprenticeships and non-traditional Career Pathways.

RECOMMENDATION 2: Establish champions among private-sector leaders who will provide resources and serve as partners in developing the industry partnerships needed to expand the education and training pipeline.

RECOMMENDATION 3: Invest in Career Pathways and apprenticeships in key industry sectors, taking into consideration the education to employment continuum, which encompasses industry-recognized credentials and post-secondary education. Investments should come from the State of Minnesota and the private sector.

RECOMMENDATION 4: Facilitate local, regional, and state level conversations around the significance of Work-Based Learning and the potential impact for the state's economy. Establish strategies and actions to increase Work-Based Learning opportunities in Minnesota.

RECOMMENDATION 5: Facilitate talent pipeline alignment among K-12 education, Career Technical

Education (CTE), Adult Basic Education (ABE), higher education, and business and industry, to ensure the state's workforce development system is following a Results-Based Accountability approach.

RECOMMENDATION 6: Invest in Minnesota's colleges and universities to ensure access and affordability for the programs needed to prepare students with the skills required to meet Minnesota's current and future workforce needs.

"Minnesota garnered the well-deserved reputation of being the nation's brainpower state because previous generations of Minnesotans made the investments in higher education that were needed to produce one of the most highly educated and talented workforces in the world. Over the past two decades, however, that investment has tumbled. State spending on higher education has dropped 29% between 1995 and 2015, adjusted for inflation (falling from \$8,464 per student FYE in 2002 to \$5,988 per student FYE in 2015). Back in 1995, Minnesota invested 5% more than the national average. Today, we trail the nation investing 14% less than the national average. The great irony here is that Minnesota, which has a greater need for a well-educated workforce than any other state in the nation, has disinvested more than nearly any other state in the nation in the engine that creates that workforce. Without renewed investment in higher education, Minnesota will not only not have the workforce needed for businesses and communities across the state to thrive, but the diverse communities traditionally underserved by higher education our workforce of the future - will continue to be left behind, exacerbating, rather than reducing Minnesota's racial and economic disparities."

Chancellor Steven Rosenstone
Minnesota State
GWDB Executive Committee member

SECTION 1:

Minnesota's Assets: The Future Workforce

According to Governor Mark Dayton, Minnesota's economic success depends on our ability to reduce educational and employment disparities based on race, ethnicity, and disability.

Collectively, efforts are underway to support new innovative opportunities to build upon our assets: our people. Our future workforce demands require partnerships between private and public stakeholders, aligning of resources, and commitment to setting and meeting goals. We must continue to invest in solutions that provide opportunities in training and education for Minnesotans who are on the sidelines or youth who are critical to our talent pipeline. While both the Minnesota legislature and our new Minnesota State Workforce Innovation and Opportunity Act Plan establish goals to address training and education, it is not enough. It is only through continued investment in programs and solutions underway, in addition to strategies to move these recommendations forward, will we have an impact on closing employment and education gaps.

In 2015, Governor Dayton established the Diversity and Inclusion Council, which seeks to improve the recruiting and retention of state employees from diverse backgrounds, improve the contracting process for businesses owned by Minnesotans from diverse backgrounds, and promote civic engagement for all residents of Minnesota. The council and its committees are tasked with identifying best practices, developing a legislative agenda and moving forward with an enterprise-wide diversity and inclusion strategic plan.

The Office of Economic Equity and Opportunity, housed at the Department of Employment and Economic Development (DEED), was recently launched to provide the focus and leadership necessary to help workers of color and businesses owned by people of color across the state find career paths and business opportunities in Minnesota.

Another equity effort was performed under the direction of DEED's Office of Policy. More than 3,000 Minnesota firms were



randomly selected to participate in a workplace diversity survey. Businesses were stratified by WIOA region, 20 industry sectors and three size classes. Employers were asked about the racial diversity of their workforce, why they seek to increase racial diversity in their workplace, and the recruitment, retention initiatives, and leadership practices they have engaged in over the last three years. Future research will be centered on diversity management in smaller firms.

These efforts are examples of Governor Dayton's investment in equitable opportunities for all Minnesotans. For more information on how this work is being tracked, an interactive dashboard presenting four main indicators of racial disparities in labor market outcomes after completing a post-secondary credential in Minnesota is available on the DEED web site: https://mn.gov/deed/data/data-tools/graduate-employment-outcomes/race-geo.jsp

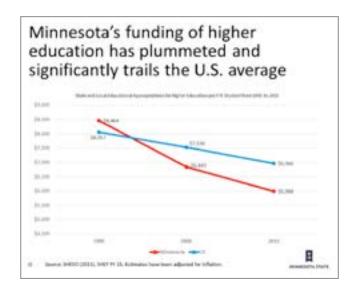
1. Employment status gap: White and Asian graduates were more likely to be employed full-time and consistently for the whole year while other racial minorities were more likely to be employed either part-time or temporarily/seasonally during the year. This difference holds at every education and age level. Although part-time/seasonal work is sometimes a voluntary choice, the number of people employed part-time for economic reasons (those who want to work full-time but cannot find full-time work) is almost equivalent to the number of people who are unemployed (106,500 economic part-time compared to 109,800 unemployed) in Minnesota, indicating that a high share of these graduate working part-time want to work full time. Full-time, year-round employment is of higher quality not only

because it more often comes with higher wages as well as health care and retirement benefits, but also because it offers more opportunities for career advancement. See Employment Status Graphic on page 7 to explore this gap.

- 2. Wage gap: Among those employed full-time for the whole year, white graduates earned more while American Indian graduates earned less than other race groups. Interestingly, the wage gap is reduced among younger completers (age 20-30) who earned a Bachelor's degree and higher, indicating that educational attainment has the effect of leveling the playfield as long as individuals manage to complete college before age 30, land a full-time job, and hold it consistently. See Employment Status Graphic on page 7 to explore this gap.
- 3. Educational attainment gap: Black and American Indian graduates are overwhelming more likely than any other race groups to complete a credential below Bachelor's. We see this illustrated in the data that looks at what racial groups have a majority (more than 50 percent) of graduates with less than a Bachelor's degree. See Educational Attainment by Race graphic on page 7 to explore this gap.
- 4. Career advancement opportunity gap: At a similar level of educational attainment and age, graduates from racial minorities are more likely to work in lowwage industries compared to whites. The relatively higher concentration of racial minorities, particularly blacks, in Temp Help and Social Assistance even after completing Bachelor's and above credentials drives racial wage gaps because these industries offer fewer opportunities for skills development and career advancement. When racial minorities were able to find jobs in high-wage/high skill industries such as Hospitals, Professional and Technical Services, Construction, or Manufacturing, wage disparities shrank substantially. This suggests that initiatives helping racial minorities break into these industries are key to reducing disparities. See Top 10 Industries of Employment graphic on page 7 to explore this gap.

HIGHER EDUCATION

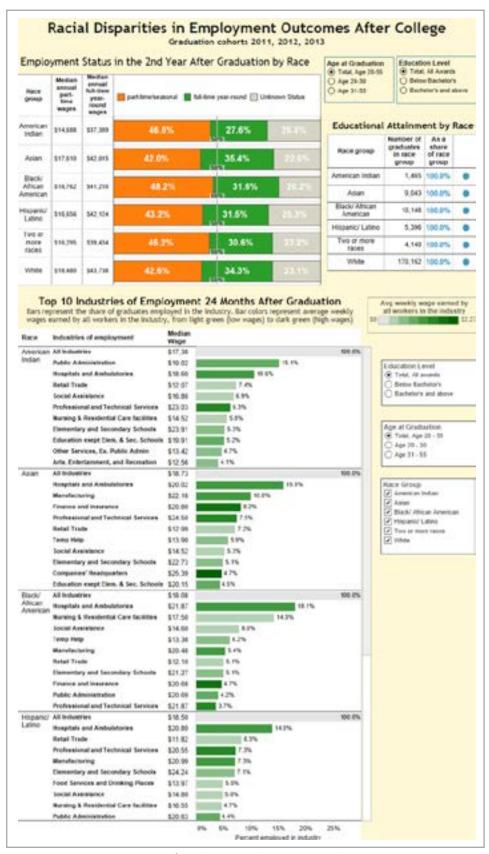
Investment in colleges and universities is needed not only to protect access to higher education but the quality of programs and the availability of high demand, critical workforce programs in parts of the state where they are needed. This must also include state-of-the-art equipment and training capabilities.



"The trends impacting Minnesota are shrinking the labor market and shifting demographics. This is something we are seeing take shape across the country. In order for Minnesota to stay competitive, workers of all different backgrounds and abilities will be essential in addressing the state's growing labor shortage. We need to tap every available resource in order to make sure Minnesota has an economy that works for all Minnesotans, everywhere in the state."

Commissioner Shawntera Hardy

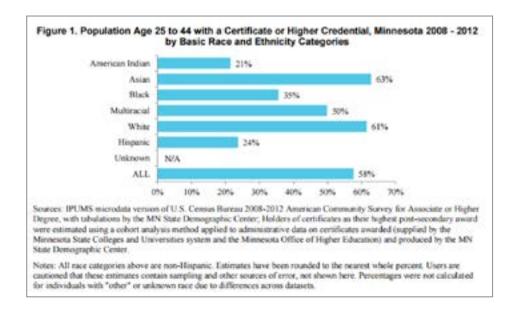
Minnesota Department of Employment and Economic Development (DEED) GWDB Executive Committee member



Source: Minnesota Department of Employment and Economic Development

HIGHER EDUCATION ATTAINMENT GOAL

The 2015 Minnesota Legislature, in Minnesota Statute 135A.012, set a higher education attainment goal for the number of Minnesota residents age 25 to 44 who hold post-secondary degrees or certificates to be increased to at least 70 percent by 2025. 12



DEED'S EQUITY GRANTS

Equity grant proposals were recently submitted by 165 organizations seeking to provide services to people of color, women, youth, people with disabilities and/or veterans in Minnesota. These organizations competed for \$8.1 million in funding available for six programs designed to improve economic opportunities for those demographic groups. The funding was approved by the Minnesota

"We have an opportunity to be intentional about developing the workforce on a state, regional, and local level, which will result in meeting the urgent demands of business and industry and ensure a vibrant state economy."

Laura Beeth

Chair, Governor's Workforce Development Board System Director Talent Acquisition, Human Resources Fairview Health Services Legislature and signed into law by Governor Dayton in June 2016. The evaluation process for awarding this funding was restructured from other DEED processes to include greater community participation in evaluating proposals and allocation of funding.

INFRASTRUCTURE AND PERFORMANCE MANAGEMENT

The State Longitudinal Educational Data System (SLEDS) brings together data from education and workforce 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
- Assist in creating a more seamless education and workforce system for all Minnesotans

The Minnesota P-20 Education Partnership governs the SLEDS system. The project is managed jointly by the Minnesota Office of Higher Education (OHE), Minnesota Departments of Education (MDE), and Employment and Economic Development (DEED).¹³

"Individuals with disabilities are vital members of the workforce and they represent an untapped resource for many businesses looking for quality, dependable employees."

Steven Ditschler
President and CEO, ProAct, Inc.
GWDB Executive Committee member

In addition, state agencies are equipped with customized data tools and methods of measuring outcomes versus objectives. Also, Minnesota Management and Budget (MMB) is coordinating a WIOA Results-Based Accountability initiative with DEED and the GWDB to identify how well programs are doing, determine where they might need to make changes, and provide a way to hold them accountable for performance.

REALTIME TALENT

RealTime Talent is a collaboration between Minnesota's largest companies, colleges, universities, public agencies and chambers of commerce. The purpose of RealTime Talent is to help create more informed, market-oriented decisions through the Minnesota workforce and education ecosystem to ensure the Minnesota economy has the talent it needs to help Minnesotans prepare for well-paying careers that align with Minnesota's workforce needs. It developed a real-time labor market tool called TalentNeuron Recruit (formerly Wanted Analytics). 14

While RealTime Talent continues to expand the use and accessibility of real-time data by providing licenses, technical assistance and research using TalentNeuron Recruit, it has also received legislative funds to pilot a new online labor exchange. Further information is available at www.realtimetalent.org.



SUCCESS STORY

Isaiah moved from an entry-level to a supervisory position within one year in Youthbuild. Youthbuild trains and employs young adults, ages 16 to 24, in construction, increasing their job-specific building trade skills, basic skills, and employability skills. Youthbuild targets high school dropouts and at-risk youth. The projects completed by the youth expand affordable housing for needy families. State funding can be used as a match to leverage federal Youthbuild funds. Isaiah demonstrated strong leadership skills as a student, worker, and volunteer, earning his diploma. Isaiah is now a Plumber's Apprentice at the new Vikings Stadium. He is a leader for future Youthbuild graduates in the construction trades.



SECTION 2: The History of the Workforce Investment Act (WIA) and the enactment of the Workforce Innovation and Opportunity Act (WIOA)

THE TRANSITION FROM WIA TO WIOA

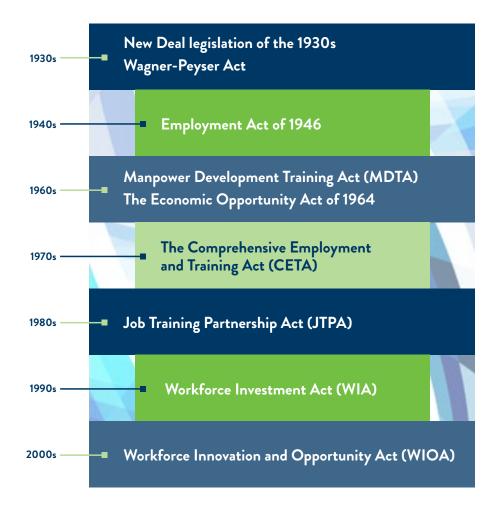
The GWDB's 2015 Report, *Minnesota on the Move:* The World's Best Workforce, was published shortly after the passing of the Workforce Innovation and Opportunity Act before guidance was provided by the USDOL. Now, midway through a three-year implementation period, there have been delays in the release of final regulations and clarification of objectives and timelines for regional and local plans.

Originally authorized in 1998, the federal Workforce Investment Act (WIA) was long overdue for reauthorization. The Workforce Investment Act focused on short-term training and re-employment but struggled to meet industry's need for skilled employers who may require longer-term training, some post-secondary education, or certification or credential attainment. Administrative barriers under the law made it difficult for providers to assist individuals who require access to multiple programs or services, which undermined the law's vision for cross-program alignment. Additionally, steady declines in funding (formula funding) of nearly 30 percent over the last decade have made it ever more difficult to meet individual needs. 15 Many state and local systems adopted innovative strategies despite the limitations of the law. These efforts have been strengthened with updated new federal policy to reflect these best practices.

President Barack Obama signed the Workforce Innovation and Opportunity Act into law on July 22, 2014. The law helps job seekers access employment, education, training, and support services to achieve success in the labor market and to match employers with the skilled workers they need to compete in the global economy. Congress passed the Act by a wide bipartisan majority. It is the first legislative reform of the public workforce system in more than 15 years.

HIGHLIGHTS OF WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) REFORMS

- Aligns Federal Investments to Support Job Seekers and Employers WIOA establishes unified strategic planning across "core" programs, which include Title I Adult, Dislocated Worker and Youth programs; Adult Education and Literacy programs; the Wagner-Peyser Employment Service; and Title I of the Rehabilitation Act programs.
- Aligns Goals and Increases Accountability and Information for Job Seekers and the Public WIOA aligns the performance indicators for core programs, and adds new ones related to services to employers and post-secondary credential attainment. Performance goals must reflect economic conditions and participant characteristics. It makes available data on training providers' performance outcomes and requires third party evaluations of programs.
- Fosters Regional Collaboration to Meet the Needs of Regional Economies WIOA requires states to identify economic regions within their state, and local areas are to coordinate planning and service delivery on a regional basis.
- Helps Employers Find Workers with the Necessary Skills WIOA emphasizes engaging employers across the workforce system to align training with needed skills and match employers with qualified workers. The Act adds flexibility at the local level to provide incumbent worker training and transitional jobs as allowable activities and promotes work-based training, for example, by increasing on-the-job training reimbursement rates to 75 percent. The law also emphasizes training that leads to industry-recognized post-secondary credentials.



- Supports Access to Services To make services easier to access, WIOA requires co-location of the Wagner-Peyser Employment Service in American Job Centers (AJCs) and adds the Temporary Assistance for Needy Families (TANF) program as a mandatory partner. WIOA establishes dedicated funding from AJC partner programs to support the costs of infrastructure and other shared costs that support access to services. It asks the Secretary of Labor to establish a common identifier for the workforce system to help workers and employers find available services. In addition, WIOA allows local areas to award pay for performance contracts so providers of services get paid for results. It also allows direct contracts to higher education institutions to provide training
- Targets Workforce Services to Better Serve Job Seekers WIOA promotes the use of career pathways and sector partnerships to increase employment in-demand industries and occupations. To help local economies target the needs of job seekers, WIOA allows 100 percent of WIOA funds to transfer between the Adult and Dislocated Worker programs. WIOA adds basic skills deficient as a priority category for Adult services. WIOA also focuses Youth program services on out-of-school youth requiring 75 percent of the funds to be spent on this population. The Act strengthens services for unemployment insurance claimants. It also merges WIA core and intensive services into a new category of career services, clarifying there is no required sequence of services. The Act allows Governors to reserve up to 15 percent of formula funds for activities such as innovative programs.

SUCCESS STORY

Minnesota's Disability Employment Initiative (MN DEI), Round Five, is an innovative partnership which focuses on increasing employment outcomes of individuals with disabilities who are over 18 years of age and enrolled in career pathways training. Because of this effort, Tom was able to enroll in the Precision Sheet Metal Training Program, made possible through a DEED Pathways to Prosperity grant. This is a collaborative effort with Anoka Technical College, Metro North Adult Basic Education and the Minnesota WorkForce Center in Anoka County.

Tom is a talkative and engaging person who asked good questions and moved from one topic to another quickly at an initial meeting with a Job Placement

Specialist and Vocational Counselor. He said that it sounded like a good program but he was worried about the math involved in the course as he was not good at fractions. He decided to apply anyway when he learned that it is "hands-on" training, the average starting pay is \$14.00 an hour, and employers come to graduation to meet and recruit employees. He was told that the training moves quickly and is demanding. This meant that he needed to stay on top of his assignments, ask questions and stay focused when operating the machines because safety is the most important worker concern in sheet metal fabrication.

The next step was for Tom to go through a Career Pathways Orientation where he would learn more about the training, fill out an application and provide information that determined his program eligibility (income, reading and math requirements). Tom's math score, though lower than required, was within the range for adults his age who have been out of school and not using math regularly. The Vocational Counselor met with the program's Career Navigator and advocated for Tom's acceptance into the program. Tom's Integrated Resource Team also included a Vocational Rehabilitation Counselor and an Adult Basic Education (ABE) instructor, who assisted him with his shop math directly. An Individual Learning Plan was implemented to describe his broad life goals and specific training goals. Each team member supported Tom in his training and employment goals and helped him with challenges that arose while he worked hard toward his Certificate of Completion.

At graduation, Tom was the first one talking to prospective employers. Within a week of graduation, he obtained a job at a local manufacturing firm, with a starting wage of \$15.00 per hour. He has since been hired by the company on a full-time, permanent basis.

- Improves Services to Individuals with Disabilities
 WIOA increases access to high quality services
 for individuals with disabilities for workforce
 services to prepare them for competitive
 integrated employment. It requires better
 employer engagement and promotes physical and
 programmatic accessibility to employment and
 training services for individuals with disabilities.
 Youth with disabilities receive extensive preemployment transition services to obtain and
 retain competitive integrated employment. It
 creates an Advisory Committee on strategies to
 increase competitive integrated employment for
 individuals with disabilities.
- Strengthens the Governing Bodies that Establish State, Regional and Local Workforce Investment Priorities WIOA streamlines membership of business-led, state and local workforce development boards. The Act emphasizes the role of boards in coordinating and aligning workforce programs and adds functions to develop strategies to meet worker and employer needs. WIOA proposes changes to state and local board structures while maintaining the Governor's authority in each state. ■

SECTION 3: The Governor's Workforce Development Board: Responsibilities and Governance

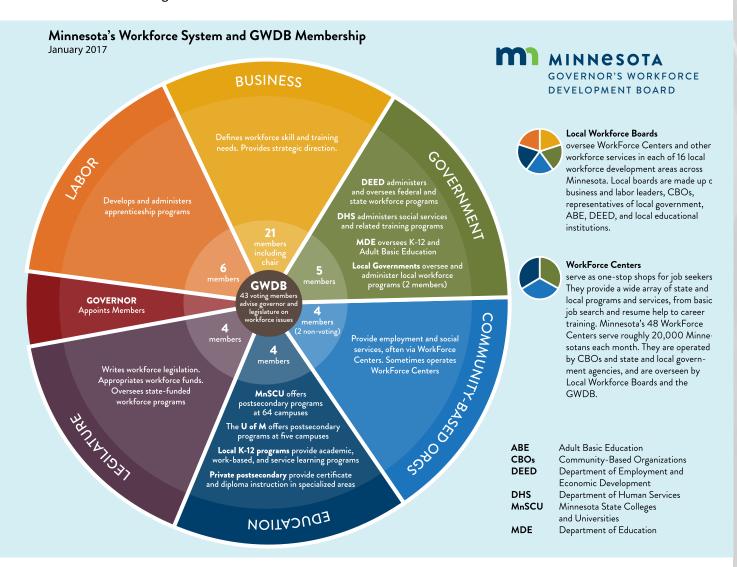
Governor Dayton appoints GWDB members who, in turn, advise the Governor on workforce development policy. The GWDB is the state's workforce development Board under WIOA, which seeks to improve the effectiveness of the public workforce system, streamline its governing structures, empower elected officials and workforce boards, establish structures for working with regional economies and engage the key stakeholders needed to lead the system to achieve the goals of WIOA.

The State Board was established prior to the passage of the Workforce Investment Act (WIA) and the Board structure was grandfathered in under WIA

in 1998. With the passage of WIOA in 2014, the name changed from the Governor's Workforce Development Council to the Governor's Workforce Development Board. There were also significant changes to the composition and role of the Board to ensure that there is a majority of private sector members on the Board, as mandated by federal law.

The composition and role of the GWDB are further defined by its by-laws and Minnesota statute.

Every year, the key programs of WIOA impact tens of millions of job seekers by helping them acquire the skills and industry-recognized credentials needed to connect to in-demand jobs and retain them, and by ensuring that the unemployed and other job seekers with barriers to employment have access to high-quality workforce services.



WORK OF GWDB COMMITTEES AND TASK FORCES

A strong State Board is critical to achieving successful outcomes in the State Plan. 15 The GWDB's Executive Committee is empowered to meet on an interim basis between regular full Board meetings and make emergency or time-sensitive decisions when necessary. It is made up of the Board Officers, Board Committee Chairs, Commissioners of DEED and MDE, an education representative, a labor representative and an at-large member. The Operations Committee was established with the passing of WIOA. The Operations Committee reviews, recommends, and approves the necessary reports, information, and all requirements under the functions listed above. State agency staff members provide subject matter expertise, data, information, and recommendations to the committee.

NATIONAL GOVERNORS ASSOCIATION TALENT PIPELINE POLICY ACADEMY

From 2014 and continuing through 2018, key state partners are working to strengthen alignment between Minnesota's education and training pipeline and the changing needs of the economy. From pre-school to post-secondary education, state agencies are coordinating efforts to ensure that all Minnesotans—students and adult learners alike—gain the necessary skills to compete and succeed in the global economy. This effort is supported by the National Governors Association (NGA) Center for Best Practices. NGA Policy Academy participants are senior leadership from seven Minnesota state agencies:

- Department of Education
- Office of Higher Education
- State Colleges and Universities
- Department of Employment and Economic Development
- Department of Labor and Industry
- Department of Human Services
- Department of Human Rights

Minnesota will continue this work by focusing on partnerships which include state agencies that are State Plan partners. Another key focus is developing industry-led sector partnerships at the state, regional, and local level. NGA will continue to provide technical assistance through the duration of the academy.

The World's Best Workforce bill, Minnesota Statute 120B.11, was passed in 2013 to ensure every school district in the state is making strides to increase student performance. Each district must develop a plan that addresses the following five goals:

- All children are ready for school.
- All third-graders can read at grade level.
- All racial and economic achievement gaps between students are closed.
- All students are ready for career and college.
- All students graduate from high school.

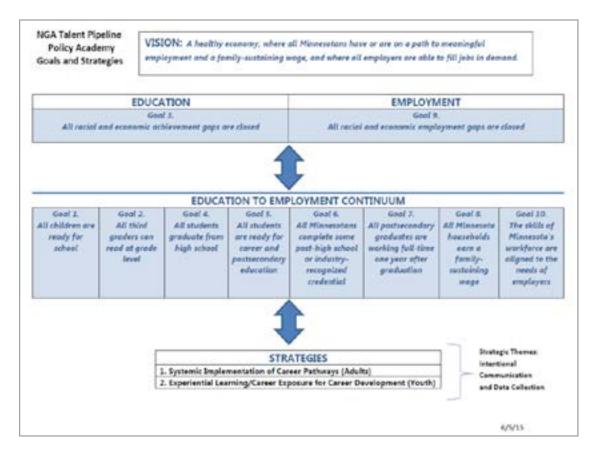
The NGA Talent Pipeline Policy Academy's education-related goals mirror the World's Best Workforce goals and were expanded to include five workforce-related goals, creating an education to career continuum (see diagram on page 15). An awareness of racial and economic disparities along this continuum are at the forefront of the policy academy's work. Strategies to achieve these goals emerged: Systemic Implementation of Career Pathways for Adults and Experiential or Work-Based Learning for Youth.

CAREER PATHWAYS PARTNERSHIP

The Career Pathways Partnership (CPP) was created to provide ongoing leadership in establishing and guiding a statewide career pathways system and strategies. As defined by the Alliance for Quality Career Pathways,

A state career pathway system is a partnership of state-level agencies, organizations, and employers or an industry that provides a supportive policy environment for local/regional career pathway systems and programs and promote the quality, scale, and sustainability of career pathways. State partnerships follow similar guiding principles to the local/regional systems.¹⁶

The GWDB fulfilled its 2014 recommendation to establish a career pathways partnership. This partnership provides leadership and guidance that supports, builds, and sustains local and regional



career pathways partnerships as part of a statewide strategy. 17

The CPP has a focus on programming for adults that informs, connects, and develops the skills of all job seekers but specifically those with the greatest barriers to employment.

The CPP has adopted the USDOL Career Pathways Toolkit as a framework for its work: https://careerpathways.workforcegps.org/announcements/2016/10/20/09/37/Career_Pathways_Toolkit_An_Enhanced_Guide_and_Workbook

WORK-BASED LEARNING

Work-Based Learning experiences provide disconnected and at-risk youth with occupational and work readiness training while also providing necessary income.¹⁸

The NGA Talent Pipeline Policy Academy conducted three focus groups on Experiential or Work-Based Learning for ages 16-24 in three Minnesota communities—Chisholm, Worthington and Minneapolis—each with unique workforce

challenges. The policy academy's white paper and a reference guide to Minnesota Work-Based Learning programs developed by MDE can be found at http://www.gwdc.org/ngapolicyacademy.html

APPRENTICESHIPS

A recent private/public sector partnership illustrates how apprenticeships can result from cross-sector collaboration. In 2015, Fairview Health Services was awarded an \$850,000 federal grant to help fund apprenticeships, on-the-job training and tuition support for nurses. Fairview is the only health care system in the nation to receive this grant, which is administered by the Minnesota Department of Labor and Industry (DLI). Registered nurses (RNs) pursuing a Bachelor of Arts in Nursing (BAN) or Bachelor of Science in Nursing (BSN) can apply to be a beneficiary of these funds. A second apprenticeship grant for nursing, medical assistants, and surgical techs was recently announced. Fairview also has 49 Dual Training IT workers supported through the Minnesota Pipeline Grant, and a third grant has been submitted.19

Fairview was also recognized by the White House for its commitment to hire 500 youth workers to their first jobs over the next two years, is committed to bringing career pathways programs to diverse communities and is taking part in a national task force to set guidelines for health care training in relation to the skills employers need.

DLI, through its Apprenticeship and Labor Standards Division, regulates, supervises and promotes apprenticeship programs that have been approved and meet state standard. The division provides technical assistance to employers developing apprenticeship programs. It also provides schools, guidance and veterans' counselors, and other business and industry groups with information regarding program requirements, selection criteria and general information about administering quality apprenticeship programs.²⁰

TASK FORCE ON EQUITY IN EDUCATION, TRAINING AND EMPLOYMENT

The mission of the newly-formed GWDB Task Force on Equity in Education, Training and Employment is to identify strategies and actionable solutions to address racial disparities in education, training, and employment. The task force supports Minnesota's agenda to address equitable opportunities for Minnesotans of color and American Indian communities facing the greatest economic and education disparities.

The group is made up of GWDB members, community-based organizations, representatives of state agencies and directors of the state councils for targeted communities.

The Committee will make recommendations to the GWDB, who then advises the Governor on strategic elements to achieve these goals:

- Goal I: Align Policy & Systems within relevant state agencies, including the Departments of Education, Human Services, Employment and Economic Development, and Labor and Industry.
- Goal II: Target Funding Resources: Develop recommendations to target state funding resources (from Departments of Education, Training, and Employment) to reduce racial/ethnic resource disparities.

THE GWDB'S STRATEGIC GOVERNANCE GUIDE WITH MORE INFORMATION ON THE WORKFORCE DEVELOPMENT SYSTEM AND A COMPANION PIECE ON THE GWDB'S COMMITTEES AND TASK FORCES ARE AVAILABLE AT: http://www.gwdc.org/publications.html

SUCCESS STORY

Darrion was a single mother of two when she first learned about the FastTRAC Pathway to Healthcare Careers program. Darrion was unemployed for eight months prior to entering the



Adult Career Pathways program. Darrion's work history consisted of entry-level occupations in telemarketing, temporary positions, retail, and food services. Darrion relied on Minnesota Family Investment Program (MFIP) assistance to support her family. Darrion's lack of a high school diploma and college training limited her job opportunities. Darrion attended the FastTRAC Bridge program in the summer of 2014 and took the Nursing Assistant Course at South Central College in January 2015. During this time, Darrion worked on her General Educational Development (GED) test preparation, resume, and other job search skills. In March 2015, Darrion successfully completed the Nursing Assistant class and passed the Nursing Assistant Registered state exam. Darrion has been working for a local employer as a Nursing Assistant more than a year and says that it has been a great experience. She currently makes \$12.75 an hour. She is no longer dependent on MFIP assistance to support her family. Darrion is planning to pursue the next step in her career path to be a Licensed Practical Nurse (LPN) or Registered Nurse (RN).

SECTION 4: Strategic Planning at the State, Regional and Local Level

How has Minnesota implemented WIOA? The following section details how Minnesota is proceeding with intentionality by focusing on strategic planning and equity in education and employment. At a time when federal legislation is requiring more from state and local workforce development boards, decreases in federal funding have led to an increased demand for state dollars. Planning is imperative.

Under Section 101 (d) of the Workforce Innovation and Opportunity Act (WIOA), the State Board shall assist the Governor in the development, implementation, and modification of the Minnesota Combined State Plan, a strategic framework to guide the workforce development system for the next four years. Minnesota's State Plan was approved by the U.S. Departments of Education and Labor in October 2016.

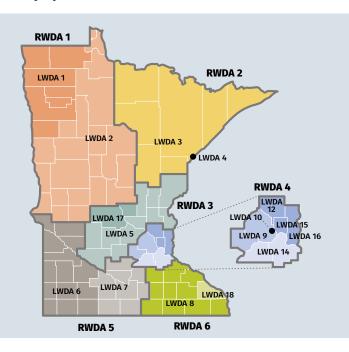
State and local partners came together around a common vision for the future of workforce development in Minnesota: to have a healthy economy where all Minnesotans have — or are on a path to — meaningful employment and a family-sustaining wage, and where all employers are able to fill jobs in demand.

To fully realize the vision for a stronger workforce development system, the State Plan focuses on two primary goals:

- To reduce educational and employment disparities based on race or disability to provide greater opportunity for all Minnesotans; and
- To build employer-led industry-sector partnerships focused on better understanding of the skills that employers need and connecting skilled workers to those opportunities.²¹

WHAT IT MEANS FOR MINNESOTA

Minnesota is continuing its track record of success under WIOA. Several of the highlights under WIOA have been or are being addressed through the WorkForce Center system, Adult Basic Education, Career Technical Education, and higher education partners. While Minnesota has developed creative solutions to meet job seeker and employer needs, we still face many challenges. Minnesota is well-positioned to meet several requirements broadly outlined in WIOA. For several years, Minnesota has developed local and state plans, developed and invested in reporting systems, served businesses and industries, and created innovative solutions, such as career pathways including Minnesota FastTRAC.



REGIONAL WORKFORCE DEVELOPMENT AREAS & LOCAL WORKFORCE DEVELOPMENT AREAS

6 Regions

Comprised of two or more LWDAs

16 LWDAs

Local Workforce Development Board programming & local system oversight

Governor's Workforce Development Board

State-level oversight

State Agencies

Administrative Responsibilities

Poverty Chemical dependency Immigrant/refugee status Long-term unemployment Under-employment Low educational attainment Criminal conviction Disability Homelessness Domestic violence Limited English proficiency Mental illness Gaps in employment

All WorkForce Centers serve customers of the public workforce system with highly-trained professional staff. Both job seekers and businesses have access to services designed to meet their specific needs. Within the parameters of each statutorily defined program, Minnesota has implemented special initiatives to provide comprehensive, customized and coordinated services to targeted populations with barriers to employment.

DEED is the state agency in Minnesota responsible for administering U.S. Department of Labor (USDOL) programming covered under WIOA. In addition, DEED administers a combination of other workforce development programming, including Vocational Rehabilitation Services, State Services for the Blind, and Unemployment Insurance.²²

The Minnesota State Combined Plan establishes key milestones that can only be accomplished through partnerships and collaboration at the state, regional, and local level. To ensure the plan is in line with other states and WIOA initiatives, the GWDB will continue to work with the Minnesota Workforce Council Association (MWCA), as well as the National Governors Association Center for Best Practices, National Skills Coalition, the Center for

Law and Social Policy (CLASP) and other national organizations engaged in workforce development.

The State Plan includes an analysis of barriers to employment, which are embedded in federal WIOA legislation. WIOA specifically addresses providing services to those with the most challenging and systemic problems. It is important to note that many individuals served have multiple barriers to employment.

SUCCESS STORY

Nancy is a single mother of five who resides on the Leech Lake Band of Ojibwe Reservation. She has a passion to do better and learn something new every day. She enjoys volunteering



in the community and caring for people when she can. She is a returning student with an Associate of Applied Science (AAS) degree in Retail Sales & Management and a diploma in Metalsmithing. She decided to re-career into nursing and sought out resources at the Northwest Indian Community Development Center in Bemidji. One of the benefits offered through the center is the Certified Nursing Assistant (CNA) program, in which she enrolled. It was an eight-week course, with course attendance being critical to success.

A short time after passing the certification, she was hired as a CNA/homemaker. "The experience working as a CNA opened the door to opportunities I never thought existed for me. I decided to compete and test for a seat in the Licensed Practical Nurse (LPN) program offered at the Bemidji Northwest Technical College and I was accepted on my first attempt," Nancy said.

Her goal as an LPN is to provide hands-on, quality care to her patients and clients in the utmost professional and compassionate manner possible. She strives to work in holistic healing or within the hospice field. "I appreciate the opportunities and the support the Northwest Indian Community Development Center has given to me. The staff is always friendly and willing to help in so many ways," Nancy said. "Without them, I wouldn't be on the path to nursing! I'm excited for the career change and happy to help others."

WIOA PROGRAMS

Overall, WIOA brings together in strategic coordination:

- Employment and training services for adults, dislocated workers, and youth and Wagner-Peyser employment services administered by the U.S.
 Department of Labor (USDOL) through formula grants to Minnesota; and
- Adult education and literacy programs and Vocational Rehabilitation state grant programs that assist individuals with disabilities in obtaining employment administered by the U.S. Department of Education (DoED).

"Women are essential to Minnesota's economic vitality. Unfortunately, even with educational credentials, their wages often don't reflect that investment given occupational segregation and undervaluing of female-dominated occupations. Minnesota families increasingly rely on these wages and the solutions to this dilemma will have a multiple generation impact."

Lorrie Janatopoulos
Women's Economic Security Act (WESA)
representative on the GWDB,
Operations Committee member
Executive Intern at Iron Range Resources and
Rehabilitation (IRRRB), Bush Foundation Fellow

CORE PROGRAMS UNDER STATE PLAN

DEED

mn.gov/deed

Titles IB-Adult, Youth and Dislocated Worker
Title III – Job Service
Title IV – Vocational Rehabilitation Services & State
Services for the Blind
Trade Adjustment Assistance For Workers
Jobs For Veterans Grant
Senior Community Service Employment

MDE

www.education.state.mn.us

Title II – Adult Education & Family Literacy Act

DHS

mn.gov/dhs

Temporary Assistance for Needy Families
Employment & Training programs under the
Supplemental Nutrition Assistance Program
Work Programs under the Food and Nutrition Act

MNSCU

www.mnscu.edu

THE COMBINED STATE PLAN AND MODIFICATIONS
CAN BE FOUND AT: http://www.mn.gov/deed/about/what-we-do/objectives-plans/wioa.jsp

Carl D. Perkins Act – Post Secondary

LOOKING AHEAD:

MINNESOTA'S PROGRESS ON THE STRATEGIES SET FORTH IN THE STATE PLAN WILL BE FEATURED IN THE GWDB'S 2019 LEGISLATIVE REPORT.

Special thanks to Kim Babine, Sara Carrigan,
Oriane Casale, Jeanine Christenson, Ellie Emanuel,
Jim Finley, Karen Francois, Diane Halvorson,
Tuleah Palmer, Nola Speiser, Kay Tracy, Rachel
Vilsack, John Vo, and Laura Winge.

- ¹ Educating for the Future, Minnesota Office of Higher Education, May 2016. Available at https://www.ohe.state.mn.us/pdf/EducatingForTheFuture.pdf
- ² Minnesota Economic Trends, December 2015, Minnesota Department of Employment and Economic Development. Available at https://mn.gov/deed/newscenter/publications/trends/december-2015/populations-of-color.jsp
- ³ Allen, Ryan (2016). Immigrants, Economic Development and the Minnesota Workforce. Office for the Vice President of Research, University of Minnesota.
- ⁴ State and National Employment and Unemployment, Minnesota Department of Employment and Economic Development. Available at http://mn.gov/deed/data/current-econ-highlights/state-national-employment.jsp
- ⁵ Disability Status Report: Cornell University. Available at https://mn.gov/deed/newscenter/infographics/disability-infographics/disability-employment.jsp
- ⁶ October 2016 Veterans Employment Update. Available at https://www.dol.gov/vets/newsletter/pdf/October2016-VETS.pdf
- ⁷ Minnesota Department of Employment and Economic Development. Available at http://mn.gov/deed/data/current-econ-highlights/alternative-unemployment.jsp
- 8 Ibid
- ⁹ Minnesota Department of Employment and Economic Development, DEED Developments Blog. Available at http://mn.gov/deed/newscenter/social-media/deed-developments/?id=1045-147753
- ¹⁰ Bretschneider et al (2005). "Best Practices" Research: A methodological guide for the perplexed, Journal of Public Administration Research and Theory (15)2:307-323.
- ¹¹ Bardach, Eugene (2012). A practical guide for policy analysis: the eightfold path to more effective problem solving 4th edition. CQ Press, an Imprint of Sage Publications.

- ¹² Minnesota Office of Higher Education, Educational Attainment Goal 2015 http://www.ohe.state.mn.us/mpg.cfm?pageID=2187
- ¹³ Minnesota Office of Higher Education, Minnesota P-20 Statewide Longitudinal Education Data System. Available at https://www.ohe.state.mn.us/mPg.cfm?pageID=1935
- ¹⁴ Real Time Talent Using data to build the world's best workforce. Available at www.realtimetalent.org
- ¹⁵ Minnesota Department of Employment and Economic Development, Unified Plans. Available at http://mn.gov/deed/business/help/workforce-assistance/business-services-reps.jsp
- ¹⁶ Alliance for Quality Career Pathways, Center for Law and Social Policy. Available at http://www.clasp.org/issues/postsecondary/pages/aqcp-framework-version-1-0
- ¹⁷ Building Partnerships to Overcome Barriers, Governor's Workforce Development Council. Available at http://www.gwdc.org/publications.html
- ¹⁸ National Skills Coalition, Promising Practices in Work-Based Learning for Youth. Available at http://www.nationalskillscoalition.org/news/blog/new-paper-highlights-promising-practices-in-work-based-learning-for-youth
- ¹⁹ Fairview Health Services. Available at http://blogs.fairview.org/blog/stepping-career-ladders/
- ²⁰ Minnesota Department of Labor and Industry.

 Available at http://www.doli.state.mn.us/appr.asp
- ²¹ Minnesota Department of Employment and Economic Development, Unified Plans. Available at http://mn.gov/deed/business/help/workforce-assistance/business-services-reps.jsp
- ²² Workforce Investment Act/Workforce Innovation and Opportunity Act Program Year 2015 Annual Report. Available at https://mn.gov/deed/assets/wia-annual-report_tcm1045-190893.pdf





An equal opportunity employer and service provider.

Upon request, this document can be made available in alternative formats by calling 651-259-7688.