

# RESKILLING MINNESOTA WORK GROUP

## Final Report and Recommendations





## EXECUTIVE SUMMARY

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The Walz-Flanagan Administration founded this work group of the Minnesota Business Vitality Council (MBVC) to provide recommendations for Reskilling Minnesota in response to the current economic conditions resulting from the COVID-19 emergency. With leaders from nine state agencies sharing thoughts and ideas, the recommendations are to:

- Create a new investment in the Workforce Stabilization Grant Program to allow COVID-impacted workers to return to school to earn credentials and secure new employment;
- Increase and continue funding and redirect efforts of navigators to support employers;
- Increase and continue funding for navigators who support jobseekers so that those clients pursue and complete credentialed training leading to high-demand, high-wage jobs;
- Increase investments in employment-based training programs with proven results, including the Dual Training Grant Program and the Minnesota Job Skills Partnership; and
- Increase and continue support for other employment-based programs, including Registered Apprenticeship, Minnesota Dual-Training Pipeline as well as other programs including Work-Based Learning, Customized Training, and Adult Career Pathways.

## WORK GROUP MEMBERSHIP

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### LEAD AGENCIES

- Minnesota Office of Higher Education
- Minnesota Department of Employment and Economic Development

### PARTNER AGENCIES

- Iron Range Resources and Rehabilitation Board
- Minnesota Department of Agriculture
- Minnesota Department of Corrections
- Minnesota Department of Education
- Minnesota Department of Labor and Industry
- Minnesota Department of Natural Resources
- Minnesota Department of Veterans Affairs





## MEETINGS

The work group met seven times between October 2020 and January 2021. In addition, a leadership team met prior to each full work group meeting to set the agenda, obtain data, invite guest speakers, prepare draft documents, and ensure that the project remained on-track. The work group leadership provided a preliminary report at the MBVC Commissioners meeting on November 20, 2020.

On October 19, 2020 the work group heard from Alessia Leibert (DEED). Alessia presented an overview of unemployment insurance statistics related to the COVID-19 Emergency. Alessia also provided the work group with information on the available DEED occupation matching and in-demand occupations tools.

On November 2, 2020 the work group heard from various public and private training providers. Each training provider presented to the group on their recent activities related to the COVID-19 Emergency.

On November 30, 2020, the work group discussed feedback from the preliminary report to the MBVC Commissioners. Work group members discussed various changes to the preliminary report based on feedback.

At the work group meetings in December 2020, members heard about the existing DEED CareerForce online platform and services. The group also discussed various possible legislative proposals related to reskilling that could be incorporated into the final report and recommendations. Members agreed the proposals aligned with the recommendations previously discussed.



## BACKGROUND AND NEED

### SERVICE INDUSTRY MOST AFFECTED BY COVID-19 EMERGENCY

- Prolonged job losses during the COVID-19 Emergency have been most focused in the Accommodation and Food Services, Temporary Staffing Agencies, and Arts, Entertainment and Recreation industries, as well as Other Services, Transportation and Warehousing, and Social Assistance.
- Those directly affected include various service industry occupations: Food Preparation and Serving; Arts, Design, Entertainment, Sports, and Media; Personal Care and Service; Transportation and Material Moving; Building, Grounds Cleaning and Maintenance; and Sales and Related occupational groups.
- The greatest risk for long term unemployment during and after the COVID-19 Emergency is in Food Service, Entertainment, Recreation and Personal Service occupations.





**TABLE 1. OCCUPATIONS WITH HIGHEST VULNERABILITY TO LONG-TERM UNEMPLOYMENT**

Occupational Title	Avg UI weeks	Number of claimants
<b>Total claimants since Mar 15</b>	<b>13.3</b>	<b>678,225</b>
Audio, Video, and Sound Engineering Technicians	19.9	360
Travel Agents	19.3	609
Waiters and Waitresses	18.7	24,537
Gaming Dealers	18.7	82
Parking Lot Attendants	18.6	449
Bartenders	18.4	13,117
Exhibit Designers and Merchandise Displayers	18.4	240
Taxi Drivers and Chauffeurs	18.3	1,815
Aircraft Cargo Handling Supervisors	18.2	460
Demonstrators and Product Promoters	17.8	299
Media and Communication Equip. Workers, All Other	17.8	495
Manicurists and Pedicurists	17.5	283
Bus Drivers, Transit and Intercity	17.5	1,527
Actors, Entertainers and Performers combined	17.5	1,563
Reservation and Transportation Ticket Agents	17.3	742
Food Servers, Nonrestaurant	17.3	3,960
Dishwashers	17.2	2,935
Dining Room, Cafeteria Attendants and Bartenders	17.1	1,444
Tax Preparers	17.1	475
Flight and Transportation Attendants	17.0	71
Hotel, Motel, and Resort Desk Clerks	16.7	1,318
Counter and Rental Clerks	16.7	1,555
Dancers, Musicians, Singers and Craft Artists combined	16.6	1,093
Transportation Workers, All Other	16.6	3,116
Cooks (except Chefs) combined	16.6	16,892

## CERTAIN MINNESOTANS AFFECTED MORE THAN OTHERS

- Black workers who applied for unemployment after March 15, 2020 are much more likely to be experiencing prolonged unemployment and permanent job loss.
  - Between March and October 2020, Black Minnesotans were twice as likely as the total population to have received Unemployment Insurance (UI) benefits, they have longer spells on UI (16.8 weeks on average) than the total group who have requested benefits (13.3 weeks on average), and they are most likely of all groups to have continued to request benefits after October 3, 2020. They are also most likely to have experienced a permanent layoff as opposed to expecting to return to their previous employer.
- Over 40% of Service Industry workers who applied for unemployment after March 15, 2020 and who have continued to file jobless claims have a high school education level or lower.
  - Overall, workers with a high school diploma or less are most likely to have requested benefits, have the longest spell on UI and are most likely to continue to request benefits after October 3, 2020 of all educational groups.
- Women are more likely than men to have requested benefits, have longer spells on UI (13.8 weeks compared to 12.8 weeks) and are more likely to continue to request benefits after October 3, 2020.





## RESKILLING FOR FUTURE IN-DEMAND OCCUPATIONS NECESSARY

- Under normal conditions, career counselors would steer unemployed job seekers from these occupations into other similar occupations based on a skills match; but that has become less useful for reemployment as these broad groups have been impacted.
  - For example, it is harder for workers to move from one food prep job to another. Even if there are lots of those jobs posted and available now, there are also many people available to fill those jobs.
- It will take several years for most of the hard hit industries and occupations to regain employment levels. Many workers will need to retrain and reskill for new careers both in the short-term and in the long-term.
  - Leisure and Hospitality cut nearly 135,000 jobs from March 2020 to April 2020, then regained nearly 90,000 jobs from April 2020 through October 2020; meaning it is still down about 47,000 jobs from pre-pandemic employment levels. The Qtr. 3 2020 to Qtr. 3 2021 employment forecast projects that Leisure and Hospitality could gain another 38,000 jobs over the next year; meaning it would still be below pre-pandemic levels by this time next year.
- Service Industry workers have transferrable skills. Some may need short-term education and training to help with knowledge gaps.
- Individuals and families would benefit most from reskilling in occupations with career pathways that provide family-sustaining wages.



## MINNESOTA'S POSTSECONDARY EDUCATION AND TRAINING OPPORTUNITIES FOR RESKILLING

- Minnesota has a significant amount of existing postsecondary education and training options for reskilling through employer-based Registered Apprenticeship and Dual Training as well as Customized Training and Academic Programs.
- Some training may need to be adapted to fit the current needs.
- High need programs most relevant for future in-demand occupations may not be offered in locations where affected Service Industry workers are located. Online learning and alternative locations may help to meet the needs of affected workers.
- Affected Service Industry workers may not be aware of all the postsecondary education and training opportunities.
- For long-term success, it is important to ensure access to training on career pathways within in-demand industries.



## VARIOUS WAYS TO PAY FOR POSTSECONDARY EDUCATION AND TRAINING

- Minnesota has various programs available to financially support postsecondary education and training including State Student Financial Aid (MN State Grant, MN Indian Scholarship, Child Care Grant, etc), Dual Training Grants, Veterans Benefits, Minnesota Jobs Skills Partnership, Workforce Innovation and Opportunity Act, Adult Career Pathways, etc..
- The tuition and fees costs for some training may be paid for by employers or fully funded through a combination of federal and state financial aid.
- Dual Training and Registered Apprenticeship programs offer employment-based training opportunities.
- Additional financial incentives may be necessary to encourage affected workers to participate in reskilling opportunities, particularly where federal and state financial aid does not cover 100% of tuition and fees.



## ONLINE TOOLS, OUTREACH, AND NAVIGATORS NEEDED TO ENSURE SUCCESS

- Local workforce development boards have expressed a need for more online tools to better serve people in the digital age, with the pandemic really bringing to the surface many of the service delivery issues facing the workforce system at many levels.
- Navigators help to connect targeted populations by region to available training and other resources.
- Navigators who are specially trained to work with targeted populations are likely to increase enrollment, completion, and employment.
- Existing programs with navigators (ex. MN Reconnect) can be expanded and used as models.
- Direct marketing to the unemployed and direct contact from navigators will be needed.



## RECOMMENDATIONS

It is crucial for the state to make new investments that encourage and support affected workers in attaining postsecondary credentials. Continued and increased investment in programs that eliminate barriers to training completion and support employment including: CareerForce, State Financial Aid, Dual Training Grants, MN Jobs Skills Partnership, MN Reconnect, Adult Career Pathways, etc. is also necessary.

### MINNESOTA WORKFORCE STABILIZATION GRANT PROGRAM (New Investment)

Through the Minnesota Workforce Stabilization Grant program, Minnesotans will be able to take a step toward learning new skills by applying for grants to attend a public or tribal college on their path to careers that are high-need for the state. The Minnesota Workforce Stabilization Grant program offers the opportunity for Minnesotans, who have been impacted by the pandemic, to transition to in-demand careers. This path to continue education and training in high-need areas not only offers increased wages for individuals, but also equips Minnesota businesses with the highly trained workforce they need to be competitive in today's economy. The program would provide grants from \$100 to \$7,500 (2-year programs) or \$14,000 (4-year programs) to eligible Minnesotans to cover the cost of tuition and fees less other grant and scholarship aid received.

### NAVIGATORS FOR EMPLOYERS (Continued Investment)

Continued investment in navigators is essential.

Minnesota already invests in several navigator positions to support employers:

1. Workforce Strategy Consultants, housed at DEED (five staff focused on developing innovative workforce solutions)
2. Business Development Managers, housed at DEED (six staff focused on supporting each of the six regions in the state)
  - a. Industry Specialists, housed at DEED (two Business Development Managers are also focused on targeted industry sectors in Minnesota)
3. Rural Career Counseling Coordinators, housed in five greater Minnesota regions of the state (funded by the Workforce Development Fund)
4. Business Support Specialists, housed by local workforce development areas throughout the state.



The Work Group recommends leveraging these existing investments to support employers in finding workers with the skills they need. Due to the pandemic, work has shifted significantly, and these staff have demonstrated flexibility. With less time spent traveling, these staff are more available to support employers in building their own internal training programs, figuring out how to better recruit workers with the right skills, and seeking out resources for staff development and training.

## **NAVIGATORS FOR JOBSEEKERS (New and Continued Investment)**

Access to valuable information and resources alone does not work for all people. New and continued investment in jobseeker navigator services are crucial to ensure long-term success. Jobseeker navigators provide ongoing support, case management, and other types of assistance to reduce barriers to completion. Existing programs like CareerForce and MN Reconnect need increased investment to expand navigator support to more people and more college campuses. To further eliminate disparities, new investment is necessary to support navigator services provided by partners who work with targeted populations. Navigators can achieve more success when they are closer to the people they serve.



One of the keys to eliminating racial disparities is making sure that the workforce development system is prioritizing resources, services, and tools that individuals with barriers to employment need in order to enter onto a reliable career pathway. Increased investment in targeted outreach will reduce barriers to accessing valuable information and resources. Targeted outreach with support from community-based organizations that know the people, training providers, social service network, and employers in their region is a key component.

## **ACCESS TO ALTERNATIVE LEARNING OPTIONS FOR IN-DEMAND OCCUPATIONS (Continued and Increased Investment)**



Investment is needed in an online learning platform made available to unemployed and underemployed workers to access and acquire credentials and certifications for in-demand occupations within career pathways. This investment makes it possible for more career seekers to learn vital industry-specific and career readiness skills on their own time, without needing to go to a physical location in order to receive many services. The online learning platform can help connect participants to other existing curriculum throughout the workforce or postsecondary systems. The demand for such a digital skills training platform has been expressed by multiple stakeholders, particularly to assist in reskilling those in impacted industries. This investment would increase the number of people with barriers to employment who can access reskilling training, including BIPOC community members.

Due to the urgent need of jobseekers laid off as a result of the pandemic, and the great need for additional workers in health care fields, the Work Group recommends increased investment in those programs with proven success for incumbent and newly hired workers:

- Dual Training Grant Program
- Minnesota Job Skills Partnership
- Other local funding sources



It is critical that continued and increased investments in Minnesota Dual-Training Pipeline, Registered Apprenticeship, and work-based training opportunities be made. These programs provide customized and hands-on training opportunities that allow Minnesotans to learn and earn at the same time. In some cases, individuals can earn postsecondary credentials at no direct cost. These programs reduce barriers for some Minnesotans who may not be willing or able to attend standard postsecondary training programs offered through colleges and universities.

## MODERNIZE THE WORKFORCE DEVELOPMENT FUND

Modernize the Workforce Development Fund to meet today's business and worker needs, connecting workforce training to industries and jobs in demand. Successful modernization of the Workforce Development Fund would include:

- Funding and services to directly address racial inequities;
- Funding and services to directly address the global pandemic's thousands of displaced workers and reshaped jobs-in-demand;
- Making resources available to reduce the digital divide;
- Creating a new "Bridge to Success" program for on-ramps to training;
- Funding support services fully so people's needs for workforce adjacent-services such as child care, housing, and transportation are addressed; and,
- Establishing agreed-upon performance metrics for workforce training programs.



## NEXT STEPS

- Report and recommendations submitted to the Governor's Office;
- Legislative changes pursued during upcoming Legislative session(s) and,
- Continue to work on modernization efforts with stakeholder groups, legislators, and workers.



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