FY25 Minnesota Dislocated Worker Program Annual Report

As required by Minn. § Stat. 116L.17

To be submitted by March 1, 2026

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As required by Minnesota Statute 3.197: This report cost approximately $3,234.80 to prepare, including staff time, printing, and mailing expenses.

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Program History

The Minnesota State Dislocated Worker (DW) Program has been a cornerstone of the state's workforce development strategy since its inception in 1990. The program is authorized under Minn. Stat. § 116L.17 and administered by the Minnesota Department of Employment and Economic Development (DEED). The DW Program is supported by the Workforce Development Fund (WDF). Created through a bipartisan effort and supported by both labor and business leaders, the program was designed to provide timely and effective support to Minnesotans who lose their jobs due to layoffs, plant closures, or economic disruptions. The DW program offers a comprehensive list of employment and training services—including career counseling, job search assistance, and training opportunities to help dislocated workers transition back into stable employment.

Over the years, the program has evolved to meet the changing needs of Minnesota's workforce, expanding its reach and refining its services to ensure equitable access and effective outcomes. It operates in close partnership with local workforce development areas, non-profit organizations, and the Minnesota Job Skills Partnership (MJSP) Board, which provides oversight and strategic direction.

This report provides an overview of the program's performance over the 2025 fiscal year (FY25), highlights key outcomes and outlines priorities for the coming year. It reflects our continued commitment to supporting Minnesota workers and strengthening the state's economy through responsive, data-driven workforce solutions.

Dislocated Worker Program Overview and Purpose

The Minnesota DW Program is designed to help individuals who have lost their jobs re-enter the workforce as quickly and effectively as possible. Through personalized career counseling, job search assistance, training, and support services, the program aims to reduce the economic impact of unemployment on individuals, communities, and the state's economy. In times of economic disruption, the program serves as a vital safety net, helping Minnesotans navigate transitions and regain stable employment.

Minnesota is one of the only states with a state-funded DW Program operating alongside the federally funded program. The federally funded DW program is governed by the Workforce Innovation and Opportunity Act (WIOA). While the two programs are closely aligned, the state-funded program offers greater flexibility and serves a broader population. The support provided by the combination of the state and federal DW programs has helped Minnesota maintain a globally competitive economy, supported by a skilled workforce and consistently low unemployment rates.

Eligible Populations and Service Approach

The Minnesota DW Program serves individuals who are Minnesota residents, authorized to work in the United States, and meet one or more of the following nine eligibility criteria:

- Individuals affected by a small layoff
- Individuals impacted by a mass layoff or permanent business closure
- Self-employed individuals who have lost their income

- Displaced homemakers who are no longer supported by a spouse or partner
- Military spouses who have lost employment due to relocation or deployment
- Members of the U.S. Armed Forces transitioning to civilian employment
- Individuals who are long-term unemployed (15 weeks within a 52-week period)
- Individuals with a non-work-related injury or illness with no workers' compensation case
- Adults with low income, recipients of public assistance, or those who are basic skills deficient

Once enrolled, participants receive individualized employment and training services tailored to their unique needs. Each participant completes an interest assessment, receives local labor market information (LMI) to guide their job search, and works with a career counselor to develop an Individual Employment Plan (IEP).

Services provided to eligible participants typically fall into four categories:

- Career planning
- Job search assistance
- Training and education
- Support services

Participants who secure suitable, unsubsidized employment are exited from the program and receive up to 12 months of follow-up support to ensure long-term success.

Service Delivery Model

The Program delivers services through a statewide network of 16 Workforce Development Areas (WDAs) and seven independent nonprofit organizations, allowing for local control and responsiveness to regional economic conditions. This decentralized model ensures that services are tailored to meet the diverse needs of communities across Minnesota.

The current independent service providers include:

- American Indian OIC (AIOIC)
- Arrowhead Economic Opportunity Agency (AEOA)
- Avivo
- Goodwill/Easter Seals
- HIRED
- Jewish Family & Children's Service of Minnesota
- Minnesota Teamsters Service Bureau

Funding

There are two primary funding streams that support DW Program service delivery in Minnesota, mass layoff funding (or mass layoff "projects"), and small layoff funding (or small layoff "formula" funding). These funds are distributed to the 16 WDA and seven independent nonprofit service providers. While the funding sources differ, they are integrated seamlessly at the service level, ensuring that all eligible participants have access to the same high-quality employment and training services.

State Rapid Response and Mass Layoff Coordination

DEED’s State Rapid Response Team (SRRT) serves as the first point of contact when large-scale layoffs or business closures occur in Minnesota. The SRRT works directly with employers and affected workers to provide timely information about available resources, including the DW Program. Layoffs are reported through various channels—employers, unions, media, or workers themselves. While the federal WARN Act requires businesses with 100 or more employees to notify the state at least 60 days in advance of layoffs affecting 50 or more workers, many employers voluntarily notify the SRRT even for smaller layoffs. This proactive communication strengthens the program’s responsiveness and effectiveness.

Workers impacted by mass layoffs typically enter the program through a mass layoff project, which ensures dedicated funding and tailored services for the affected group. While participants may choose to receive services with any provider statewide, most opt to work with the designated mass layoff project provider for their layoff event. The SRRT continues to build strong relationships with Minnesota employers to support early notification and coordinated service delivery.

Summary of Layoffs in FY25

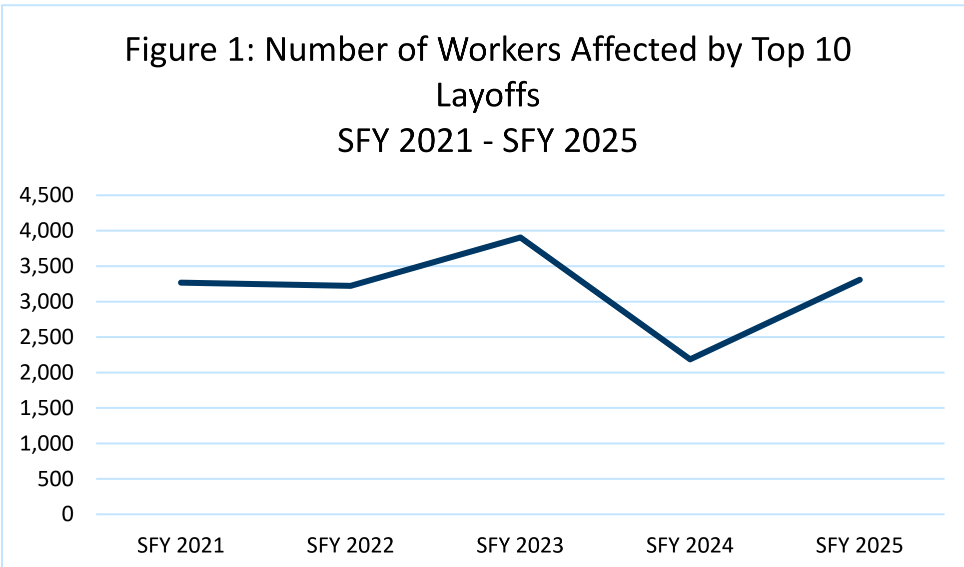
Throughout FY25, Minnesota experienced a series of layoffs and business closures affecting a wide range of industries and regions. During FY25, Minnesota employers sent DEED 46 WARN notices impacting 4,092 workers. The SRRT also assisted more than 6,933 additional workers potentially impacted by layoffs that occurred without a WARN notice.

Layoffs occurred in sectors such as retail, education, manufacturing, health care, and hospitality with notable layoff events including HibTac-Minorca, Cargill, Minneapolis Public Schools and Arctic Cat/Textron. In March 2025 alone, over 850 workers were affected through 11 layoff events. Despite these disruptions, Minnesota’s labor market remained relatively stable, with low unemployment rates and steady job growth in key sectors such as health care, and construction.

Table 1: Top 10 Mass Layoff Events in FY25

COMPANY	No. of Layoffs
HibTac – Minorca	600
Cargill	475
Minneapolis Public Schools	400
Arctic Cat/Textron-TRF	385
Anoka-Hennepin Schools	350

Minnesota Department of Corrections	300
Joann Fabrics	210
Robbinsdale Area Schools	200
Smurfit Westrock	189
CNH North America Inc	175
TOTAL	**3,284**



Trade Adjustment Assistance Program

As of October 1, 2025, the federal Trade Adjustment Assistance (TAA) Program has officially sunsetted and is no longer accepting new applicants. Historically, TAA provided enhanced support to workers who lost their jobs due to foreign trade impacts. Eligible individuals received additional benefits beyond those offered by the DW Program, including expanded training funds, job search and relocation allowances.

All TAA participants were co-enrolled in the DW Program to ensure coordinated service delivery. Like the SRRT, TAA identified trade-related layoffs through employer reports, unions, media, and workforce partners. The two programs worked closely to support affected workers before, during, and after layoff events. With the program’s closure, Minnesota will rely solely on its DW Program to serve workers impacted by trade-related job loss.

Program Results in FY25

PROGRAM FUNDING AND EXPENDITURES

The Minnesota DW Program is funded through the WDF. The program receives its funding after all legislative appropriations have been deducted from the fund. In SFY 2025, the approved budget was $31,432,453. The MJSP Board has broad authority over the Minnesota DW Program budget and policies.

The program's expenditure in FY25 was $22,703,751 with 6,921 participants served. The average cost per participant was approximately $3,280. The state program served more than five times the number of participants served by the federally funded program (1,320). In Minnesota, 3,411 participants exited the program during the performance cohort and 2,736 entered unsubsidized employment within three months of exiting. That is an 80.2% success rate.

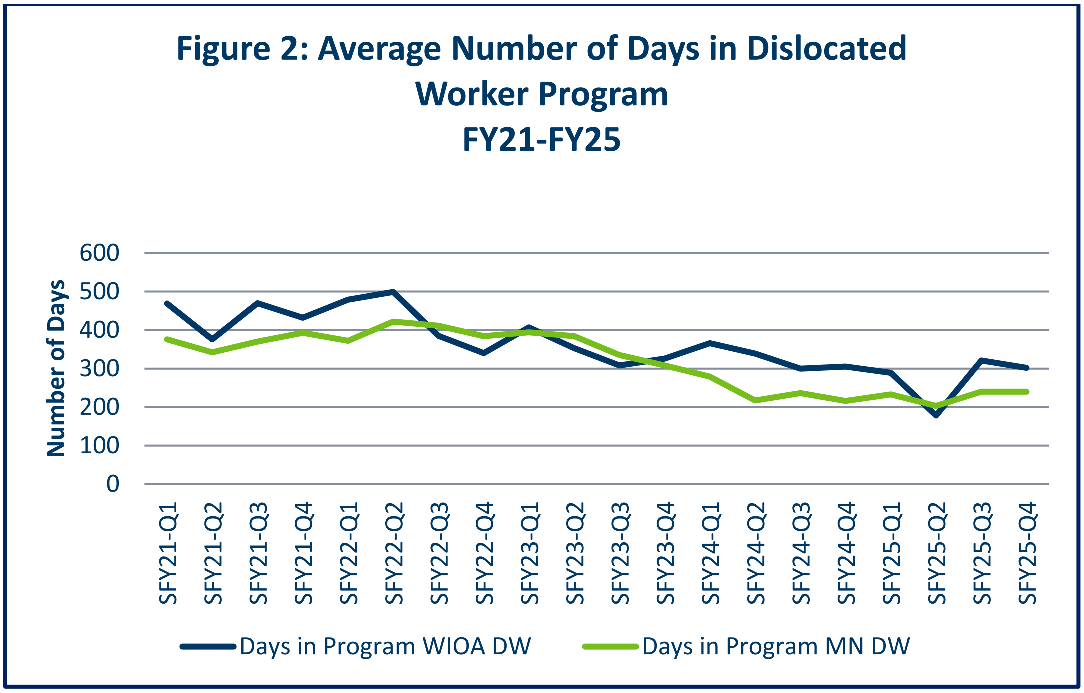
Table 2: State and Federal Dislocated Worker Programs Funding and Customers Served SFY 2025

Program	Customers Served	Program Funding Expended
Minnesota Dislocated Worker	6,921	$ 22,703,751
Federal Dislocated Worker	1,320	$ 4,720,170
Total	**8,241**	**$ 27,423,920**

To maximize the impact of public investments and ensure responsible stewardship of funds, eligible participants are often co-enrolled in programs funded by multiple funding streams. This approach enables service providers to cost allocate across programs, facilitate the delivery of comprehensive wraparound services, and ensure that every dollar is used as efficiently and effectively as possible.

Average Duration of Participation in the Dislocated Worker Program

Participant data from FY21 through FY25 reveals a trend toward shorter program durations in both the Federal DW and Minnesota DW programs. In FY25, the average number of days spent in the program was 251, down from 283 days in FY24. WIOA participants consistently remained enrolled longer than those in Minnesota's program, though the gap has narrowed significantly in recent years. The shorter program durations in the programs reflect streamlined processes, faster reemployment outcomes, and a shift in participant needs. With unemployment rates remaining low and cost of living increasing, participants are opting to take shorter term training and exiting faster into employment.



Outcomes

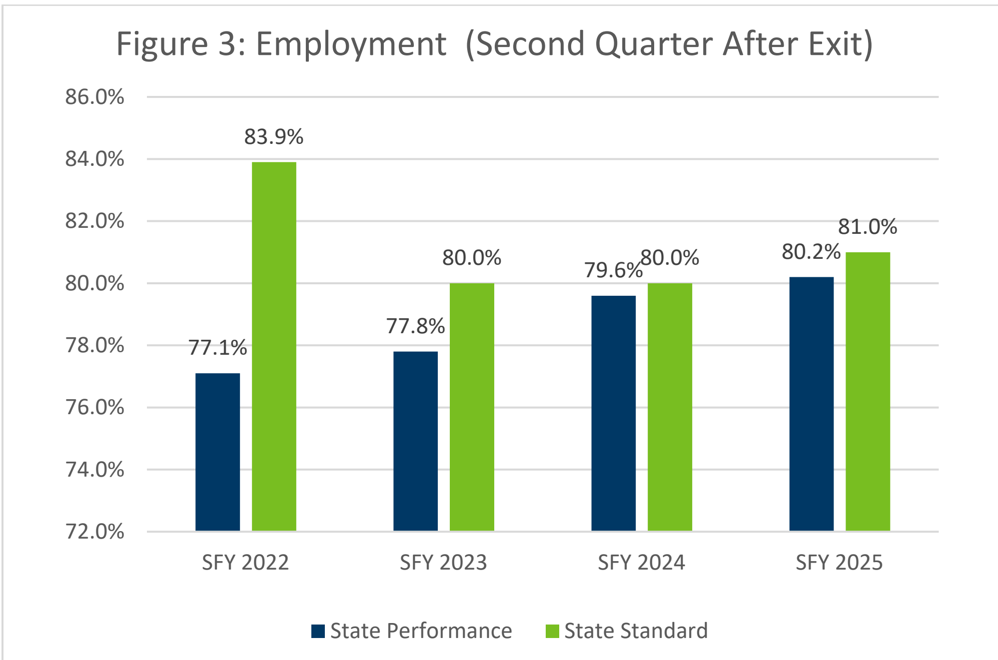
The Minnesota DW Program measures success through five performance measures set by WIOA. These measures are:

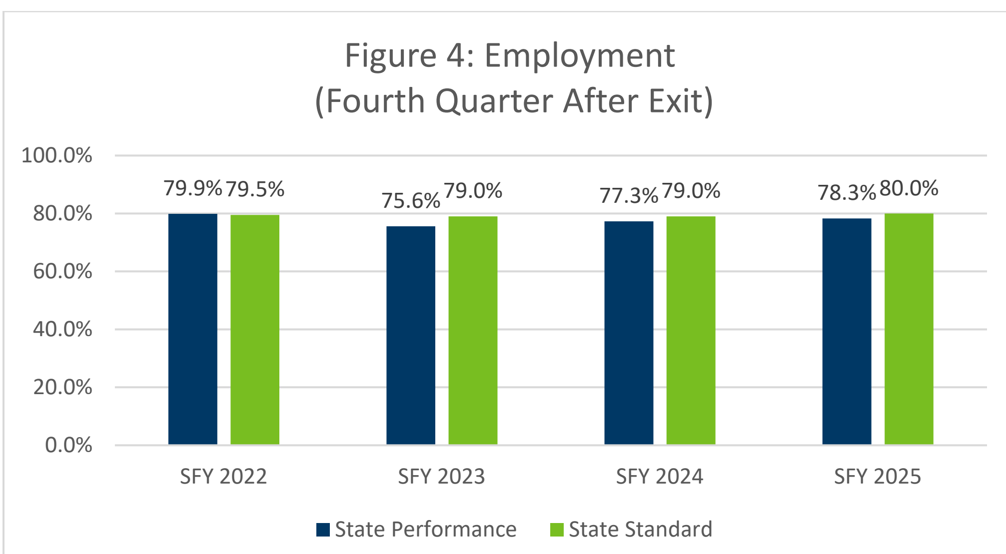
- Percent of participants who are in unsubsidized employment during the second quarter after exiting the program
- Percent of participants who are in unsubsidized employment during the fourth quarter after exiting the program
- Percent of program participants enrolled in an education or training program who attain are recognized post- secondary credential or a secondary school diploma (or equivalent) during enrollment or within 365 days of exiting the program
- The median earnings of program participants who are in unsubsidized employment during the second quarter after exiting the program
- Percent of participants who enrolled in an education or training program and achieve measurable skills gain during a program year

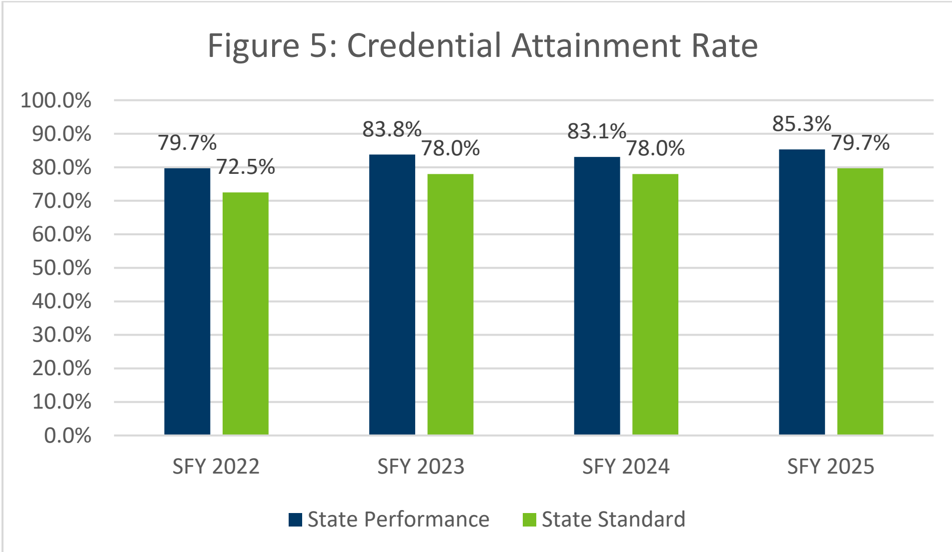
A performance feature of WIOA is the opportunity for states to review and negotiate their federal performance standards with the U.S. Department of Labor using a statistical adjustment model that considers the demographics of participants being served, regional labor market information, and local area unemployment rates when determining state DW performance standards to ensure they are fair, achievable, and accurately reflect the uniqueness of each state's economy.

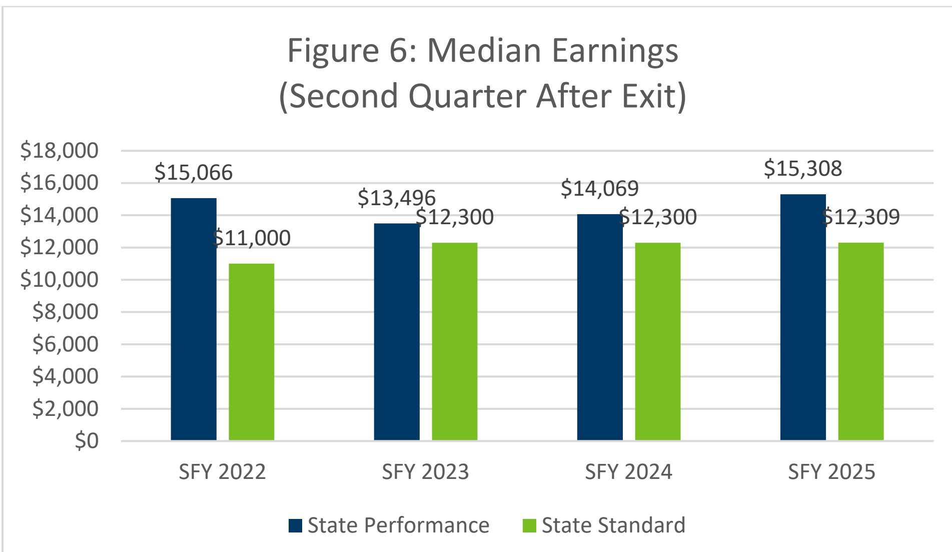
Minnesota negotiates all its performance goals with U.S. Department of Labor every two years. The next round of negotiations will be completed in June 2026. To remain consistent across the two programs, the Minnesota DW Program also uses these same negotiated goals, which are reported quarterly to the MJSP Board. In addition, Minnesota State Statute 116L.98 requires a "uniform outcome report card" for programs funded by the WDF, including the Minnesota DW Program. These results can be found on the DEED Report Card website.

Program Performance Outcomes









Program Highlights

Meeting and exceeding performance goals

The Minnesota DW Program continues to meet and exceed the mandated performance outcomes and surpass national averages:

- 6,921 individuals served between July 1, 2024, and June 30, 2025
- Median earnings for participants who exited to employment exceeded the state standard by nearly 25%
- 85.3% of individuals served attained credentials, exceeding the state standard of 79.7%

Pilot Re-entry and Tech Training Initiatives

In June 2022, the MJSP Board authorized $3 million for a Pilot Re-Entry Grant specifically designed to serve justice-involved individuals returning to the community. The Board approved these funds to address employment barriers and provide training opportunities for this population, recognizing the critical need for workforce reintegration. Following the release of the Request for Proposals in October 2022, the program received 30 proposals totaling $11 million in requests. Ultimately, 13 grantees were selected, and participant enrollment began in May 2023. Through this initiative, 592 individuals were served. Nearly 37% of participants attained unsubsidized employment despite significant barriers to workforce reentry and 26% enrolled in a credential-providing training program. The initiative concluded on June 30, 2025.

During this same time, the Board also authorized $5 million for a Pilot Tech Training Grant aimed at preparing individuals considered long-term unemployed for careers in technology and placing them in employment within the technology sector. The Request for Proposals was published on October 11, 2022, and six proposals totaling $2.5 million in requests were received. Five grantees were selected, and enrollment began shortly thereafter, marking the start of this targeted effort to build a skilled technology workforce and strengthen Minnesota's economy. The grant served 247 participants and concluded on June 30, 2025.

Success Story: Kathryn's Journey to Her Dream Job

After 26 years of dedicated service at the *Brainerd Dispatch*, Kathryn faced an unexpected layoff that left her uncertain about the future. As a single mother of three, the path forward seemed daunting—especially with her dream of driving a snowplow for the county or state requiring a Commercial Driver's License (CDL), which she couldn't afford on her own. Kathryn enrolled in the **State and Federal DW Programs** and began working with **Rural Minnesota Concentrated Employment Program (RMCEP)**. Through RMCEP, she received comprehensive support including:

- **Career Exploration** to identify her goals and strengths.
- **Job Search Assistance** to navigate employment opportunities.
- **Training and Education** support to pursue her CDL.
- **Support Services** for essential work gear like boots.
- **Resume and Interview Preparation** to build confidence.
- **Participation in the Westgate Mall Job Fair** to connect with employers.

With determination and the guidance of her RMCEP Job Counselor, Kathryn successfully completed her CDL training and passed the licensing exam. On August 27, 2025, she proudly began her new full-time role with MNDOT in Little Falls, fulfilling her lifelong dream.

Reflecting on her journey, Kathryn shared:

> *"I could not have reached my dream job without the help of my Job Counselor and the program. She was fabulous to work with—always positive and supportive. I do know without this program I would never have gotten my CDL. It's a great relief in finding my forever job. Something to be proud of and to show*

my kids that you're never too old to chase your dreams and you can get whatever you want if you work hard enough."

Kathryn’s story is a powerful reminder that with the right support and unwavering determination, it’s never too late.

Conclusion

In FY25, the Minnesota DW Program continued to serve as a vital pillar of the state’s workforce development system, helping 6,921 Minnesotans navigate job loss and transition back into meaningful employment. With performance outcomes that consistently exceed state and federal standards, including an 80.2% second-quarter employment rate and strong credential attainment, the program continues to deliver results that matter to workers, employers, and communities alike.

The importance of a robust, state-funded DW Program has never been clearer. The sunset of the federal TAA Program underscores the urgency of maintaining and expanding state-level support to support Minnesota workers. The Minnesota program’s flexibility and scale allow it to fill critical gaps, especially in times of economic uncertainty.

Looking ahead, the program will continue to evolve to meet the changing needs of Minnesota’s workers, employers and industries. By staying closely aligned with regional labor market trends and maintaining strong partnerships with local WDA, service providers, and businesses, the program will continue to ensure that employment and training services are responsive, relevant, and impactful.

Appendix: State Dislocated Worker Program Performance for FY25

State Dislocated Worker Program SFY 2025 Provider Performance

	Exited	Served	Employed exiters in the 2nd quarter/ Total exiters	=	ACTUAL 2nd Quarter Employment Rate	2nd Quarter Employment STANDARD	ACTUAL 2nd Quarter Median Earnings	Median Earnings STANDARD	Exiters employed in the 4th quarter/ Employed exiters	=	ACTUAL 4th Quarter Employment Rate	4th Quarter Employment STANDARD	Credential Attained/ All Exiters who attended training	=	ACTUAL Credential Attainment Rate	Credential Attainment STANDARD
State	**3,854**	**6,921**	2,736 / 3,411	=	**80.2%**	81.0%	**$15,308**	$12,309	2,201 / 2,810	=	**78.3%**	80.0%	1,075 / 1,260	=	**85.3%**	79.7%
Inter County Community Council	**14**	**79**	26 / 30	=	**86.7%**	75.0%	**$10,487**	$12,309	38 / 43	=	**88.4%**	80.0%	25 / 27	=	**92.6%**	80.0%
Rural MN CEP Inc	**302**	**534**	243 / 281	=	**86.5%**	82.0%	**$12,621**	$11,401	207 / 246	=	**84.1%**	84.0%	22 / 26	=	**84.6%**	83.1%
NE MN Office of Job Training	**235**	**370**	263 / 291	=	**90.4%**	88.2%	**$15,837**	$10,950	213 / 243	=	**87.7%**	88.5%	213 / 218	=	**97.7%**	66.5%
City of Duluth	**59**	**70**	47 / 59	=	**79.7%**	81.0%	**$13,186**	$12,309	47 / 63	=	**74.6%**	81.7%	42 / 44	=	**95.5%**	75.0%
Central MN Jobs and Training	**184**	**291**	239 /276	=	**86.6%**	88.7%	**$20,541**	$13,500	248 / 287	=	**86.4%**	86.0%	55 / 61	=	**90.2%**	85.0%
SW MN PIC Inc	**47**	**115**	55 / 62	=	**88.7%**	81.0%	**$14,750**	$9,000	61 / 66	=	**92.4%**	82.0%	49 / 53	=	**92.5%**	79.7%
S Central Workforce Council	**287**	**432**	133 / 148	=	**89.9%**	81.0%	**$15,948**	$10,500	100 / 111	=	**90.1%**	80.0%	13 / 15	=	**86.7%**	83.1%
SE Workforce Development	**153**	**360**	100 / 126	=	**79.4%**	83.2%	**$10,775**	$12,500	90 / 120	=	**75.0%**	81.5%	53 / 67	=	**79.1%**	74.3%
Hennepin/ Carver ETC	**401**	**716**	208 / 282	=	**73.8%**	74.0%	**$17,508**	$13,579	163 / 224	=	**72.8%**	75.6%	82 / 105	=	**78.1%**	81.0%
Mpls Employment and Training	**148**	**404**	99 / 130	=	**76.2%**	80.0%	**$18,981**	$12,300	89 / 126	=	**70.6%**	70.6%	41 / 51	=	**80.4%**	72.0%
Anoka County	**197**	**277**	152 / 195	=	**77.9%**	85.0%	**$16,836**	$14,500	105 / 131	=	**80.2%**	82.0%	59 / 69	=	**85.5%**	86.9%
Dakota/Scott Workforce Services	**279**	**421**	168 / 198	=	**84.8%**	77.0%	**$16,514**	$15,000	117/ 145	=	**80.7%**	80.0%	57 / 72	=	**79.2%**	84.5%
Ramsey Cty Workforce Solutions	**177**	**337**	122 / 150	=	**81.3%**	78.0%	**$16,027**	$13,900	97 / 126	=	**77.0%**	77.0%	37 / 40	=	**92.5%**	83.0%
Washington County	**140**	**176**	77 / 103	=	**74.8%**	83.0%	**$18,749**	$16,700	55 / 71	=	**77.5%**	82.0%	10 / 14	=	**71.4%**	75.6%
Stearns/Benton E&T (Career Solutions)	**219**	**426**	142 / 163	=	**87.1%**	81.0%	**$16,181**	$10,500	142 / 170	=	**83.5%**	80.0%	90 / 97	=	**92.8%**	81.0%
Winona Cty Workforce Council	**33**	**79**	12 / 12	=	**100.0%**	82.0%	**$15,332**	$9,200	8 / 8	=	**100.0%**	81.0%	1 / 2	=	**50.0%**	76.0%
American Indian OIC	**105**	**88**	58 / 80	=	**72.5%**	79.5%	**$10,697**	$14,330	25 / 33	=	**75.8%**	78.9%	7 / 8	=	**87.5%**	80.5%
Arrowhead Economic Opportunity Agency	**87**	**177**	41 / 56	=	**73.2%**	88.2%	**$9,130**	$10,950	27 / 48	=	**56.3%**	88.5%	11 / 17	=	**64.7%**	66.5%
Avivo	**86**	**137**	38 / 56	=	**67.9%**	79.5%	**$10,407**	$14,330	21 / 40	=	**52.5%**	78.9%	14 / 16	=	**87.5%**	80.5%
Goodwill/Easter Seals Minnesota	**104**	**258**	53 / 67	=	**79.1%**	79.5%	**$16,154**	$14,330	36 / 51	=	**70.6%**	78.9%	22 / 28	=	**78.6%**	80.5%
HIRED	**101**	**316**	87 / 111	=	**78.4%**	79.5%	**$26,250**	$14,330	55 / 82	=	**67.1%**	78.9%	36 / 42	=	**85.7%**	80.5%
Jewish Family and Children's Services	**60**	**144**	61 / 76	=	**80.3%**	79.5%	**$18,704**	$14,330	39 / 54	=	**72.2%**	78.9%	16 / 24	=	**66.7%**	80.5%
MN Teamsters Service Bureau	**198**	**419**	190 / 249	=	**76.3%**	79.5%	**$13,722**	$14,330	176 / 243	=	**72.4%**	78.9%	83 / 117	=	**70.9%**	80.5%

SPECIALS NOTES

DEED has calculated the above performance by combining participants served in both Small and Large layoffs funded by State Dislocated Worker.

Exited and Served is all participants accessing the program during the actual program year (realtime). High or low numbers are not negative or positive.

2nd Quarter Employment results based on exiters between July 1, 2023 - June 30, 2024 except those exited with exclusion. This indicator measures each exiter's employment status during the 2nd quarter after exiting the program.

4th Quarter Employment results based on exiters from January 1, 2023 - December 31, 2023 except those exited with exclusion. This indicator measures each exiter's employment status during the 4th quarter after exiting the program.

2nd Quarter Median Earnings results based on exiters from July 1, 2023 - June 30, 2024 except those exited with exclusionary reason and those showing zero earnings.

Credential Attainment results based on exiters from January 1, 2023 - December 31, 2023 except those exited with exclusionary reason and those who did not attend training.

Statewide goals based on negotiated levels approved by DOL for PY2024. Local area goals based on negotiated levels approved by DEED for PY2024.