The Dislocated Worker Program

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What is the Dislocated Worker Program?

The Dislocated Worker Program provides assistance to eligible individuals who are displaced from their employment or source of support and require assistance in returning to or entering the workforce (Minn. Stat. § 116L.17).

Who is eligible for assistance?

Many kinds of workers are eligible for assistance under the program. They include those who:

- are eligible for unemployment benefits, or have exhausted those benefits, and are unlikely to return to their previous industry or occupation;
- have been long-term unemployed and have limited opportunities for similar reemployment in the area where they live, including older individuals whose age may create a barrier to employment;
- were terminated or have been notified of impending termination as part of a plant closing or other large layoff;
- have been self-employed (including as farmers or ranchers) and are unemployed as a result of economic conditions or natural disasters;
- are veterans discharged or released from active duty under honorable conditions and are unemployed or underemployed;
- are displaced homemakers, meaning they have spent a number of years providing homemaking service while dependent on another person and that person is no longer providing support as a result of the other person's disability or death, or because of a divorce. "Displaced homemaker" can also include a person who previously was supported by public assistance because of the presence of a dependent in the household who is no longer present;
- are spouses of active duty members of the armed forces;
- have a non-work-related injury or illness and no workers' compensation case; or
- are adults with low incomes or basic skills deficiencies or are recipients of public assistance.

These last three groups were added to the program in 2024, greatly expanding its scope.

What kind of assistance is available?

The program provides basic employment services such as job counseling, testing, skills assessment, job search, and placement assistance. It provides money for training, including classroom training, on-the-job training, skills training, and basic education, including English as a second language. In some cases, it offers support services, including temporary help with expenses such as emergency housing assistance and rent, health care, transportation, child care, work-related tools and clothing, and similar costs that may need to be covered while a person is in training.

Under the Converting Layoffs into Minnesota Businesses (CLIMB) program (Minn. Stat. § 116L.17, subd. 11), a special component of the Dislocated Worker Program, dislocated workers can also receive assistance in starting or growing their own business. Assistance may include entrepreneurial training,

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business consulting, and technical assistance. Participating individuals create a business plan and remain eligible for unemployment insurance benefits while working towards that plan.

How is the money distributed?

Funds are appropriated to the Job Skills Partnership Board (Minn. Stat. § 116L.03) and then allocated to workforce service areas or other eligible organizations, which may include labor organizations, business organizations, state or local government agencies, or nonprofit agencies. These areas and organizations often in turn contract with individual service providers to deliver services to individuals.

Where does the money come from?

Employers pay a special assessment along with their unemployment insurance taxes that goes into a separate fund called the Workforce Development Fund (Minn. Stat. § 116L.20).

Not all the money in the Workforce Development Fund goes to fund the Dislocated Worker Program. The legislature appropriates some of the money in the fund to support other employment and training programs. Whatever money remains after these appropriations are made is available for the Dislocated Worker Program. Under certain circumstances, if there is more money in the fund than is necessary to meet the needs of dislocated workers, the Job Skills Partnership Board can use the extra money for other workforce training programs (Minn. Stat. § 116L.05, subd. 5).

In addition to the money the state collects from employers, there are federal funds appropriated for the federal Dislocated Worker Program, which is similar to the state program, as well as funds available through federal National Dislocated Worker Grants. These funds are also administered by the Job Skills Partnership Board (Minn. Stat. § 116L.05, subd. 1).

How do individuals apply for assistance?

As soon as individuals receive a notice of permanent layoff or termination, they can contact their local CareerForce Center for assistance. Staff at the local site will help determine what services that worker qualifies for under the state and federal dislocated worker programs. CareerForce Centers are listed on the Department of Employment and Economic Development website, careerforcemn.com/locations.

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