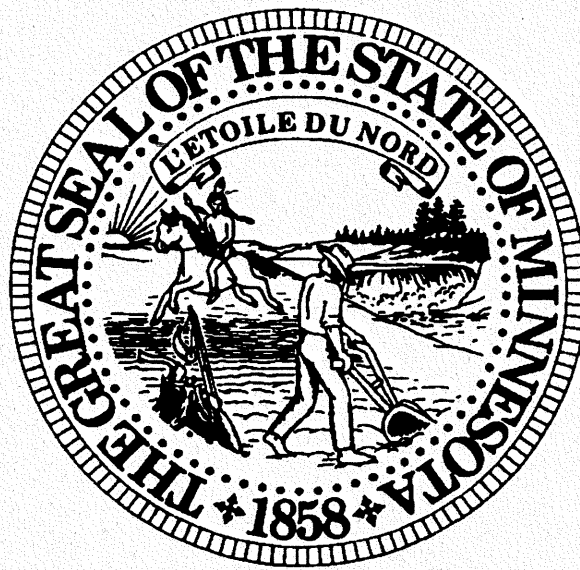


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MINNESOTA'S  
DISLOCATED WORKER PROGRAM

Framework for Dislocated Worker  
Program Improvement



GOVERNOR'S WORKFORCE  
DEVELOPMENT COUNCIL  
FINAL RECOMMENDATIONS

January 23, 1998

**FRAMEWORK FOR DISLOCATED WORKER  
PROGRAM IMPROVEMENTS  
GOVERNOR'S WORKFORCE DEVELOPMENT COUNCIL  
FINAL REPORT**

**Background**

Over the past two years, the Minnesota Department of Economic Security (MDES) and the Governor's Workforce Development Council (GWDC) have worked to evaluate and improve Minnesota's Dislocated Worker Program (DWP). In early 1997, MDES contracted with Berkeley Planning Associates, from Oakland, California, to provide the State and the Council with an independent and comprehensive evaluation of the DWP.

The purpose of this paper is to assist the State, the Council and the system in developing and implementing program improvements. This paper incorporates the evaluation recommendations, interested parties comments and Council recommendations for program improvements. This paper also provides the framework for individual key issues for the Council to deliberate. Key issues are framed by the evaluation, interested parties positions, options for program improvements and Council recommendations.

On January 23, 1998, the Council addressed all nine of the key issues that have been under consideration. Their actions are described in the following **Executive Summary - Final Council Recommendations** as well as in each section outlining the options discussed by the Council.

**Evaluation Goals**

- 1) an accounting of how dislocated worker funding is spent, including a breakout of expenses for administration and direct services to dislocated workers;
- 2) the size of the dislocated worker problem, including a trend analysis of the number of dislocated workers and how this compares with jobs created over time which have comparable wages and skills;
- 3) a statistical analysis of the effectiveness of current programs and recommendations regarding the most cost-effective methods to find employment for dislocated workers;
- 4) the level of public funding needed to help address the dislocated worker problem, including information on the level of funding in other states;
- 5) information on the level of need for the state supported portion of the dislocated worker program;
- 6) evaluation of the current funding source and recommendations on alternative funding sources, including information on funding sources in other states;
- 7) development of models for fair distribution of dislocated worker program resources; and;
- 8) the estimated return on investment.

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## **Interested Parties Who Commented on the Evaluation**

MDES and the Council, at every major step, attempted to solicit comments from the employment and training community during the evaluation process. An "interested party" mailing list was developed which included over 130 organizations and individuals.

These interested parties were provided with opportunities to comment at various points throughout the evaluation and program improvement process.

More recently, the interested parties were provided with the opportunity to comment on both Berkeley Planning Associates (BPA's) Evaluation of Minnesota's Dislocated Worker Program and the draft Framework for Dislocated Worker Program Improvement.

The following lists the organizations which provided written comments:

### *BPA's Evaluation of Minnesota's Dislocated Worker Program*

Independent Business Association of Minnesota

Employer's Association, Inc.

Personnel Decisions International

Minnesota Chamber of Commerce

Minnesota Teamster Service Bureau

Minnesota Job Training Partnership Association

Jobs Now Coalition

Jobs in Transition, Inc.

Minnesota AFL-CIO

Ramsey County Job Training

Employment Action Center

### *Framework for Dislocated Worker Program Improvement*

Employment Action Center

Hennepin County

Minnesota Chamber of Commerce

StaffPlus

Ramsey County

Minnesota AFL-CIO

Quality Career Services (formerly the UAW Dislocated Worker Program)

## **Key Issues and Recommendations**

The remainder of the report provides an Executive Summary of the Council recommendations and detailed information on each of the nine key issues that the Council addressed. Included for each key issue are a description of the current procedures; legal and policy citations; relevant comments from the BPA evaluation; interested party positions; Council recommendations; and other options discussed by the Council.

**GOVERNOR'S WORKFORCE DEVELOPMENT COUNCIL  
FINAL RECOMMENDATIONS ON PROGRAM IMPROVEMENTS  
EXECUTIVE SUMMARY  
February 10, 1998**

Based upon the results of the evaluation of Minnesota's Dislocated Worker Program that was conducted by Berkeley Planning Associates in 1997, the Workforce Development Committee of the Governor's Workforce Development Council identified nine key issues which need to be addressed for the purpose of implementing improvements to Minnesota's program. The following is a summary of the Governor's Workforce Development Council's final recommendations on each of these nine key issues. These recommendations were approved by the Workforce Development Committee on January 9, 1998 and the Governor's Workforce Development Council on January 23, 1998.

- 1. Competitive process for selection of service providers for large layoffs**  
Allow up to 10 non-SSAs organizations to compete for discretionary dislocated worker funds. The Council will develop procedures for recruitment, selection and implementation of service providers. This will provide a "pool" of 21 organizations (11 SSAs plus 10 additional service providers). All 21 organizations will be "certified" by the Council for a 2 year period.
  
- 2. Independent Grantees-status and base funding**  
Increase the number of Independent Grantees, up to a maximum of six, as allowed in state statutes. The Council will develop procedures for recruitment, selection and implementation of Independent Grantees. Base funding will be provided to all Independent Grantees. The funding source will be EDWAA Governor's 40% Reserve funds, since no provisions are authorized for using state funds for these activities. All Independent Grantees will be "certified" by the Council for a 2 year period.
  
- 3. Rapid Response**  
Do not change the current Rapid Response policies and procedures.
  
- 4. Funding-source of funds and use of funds** (Note: The Governor's Workforce Development Council referred this item back to the Workforce Development Committee on January 23, 1998).

Recommend that business and labor develop and recommend a plan to the legislature to create a Dislocated Worker Trust Fund with funding coming from a general fund appropriation and eliminate the employer payroll tax.

The discussion of the Council on this key issue centered on the following assumptions:

1. Ensure the continuation of the Minnesota Dislocated Worker Program;
  2. Establish a Trust Fund;
  3. Develop methods to ensure resources regardless of economic trends; and,
  4. Address the opposition of the business community to the one-tenth of one percent employer payroll tax.
- 5. Conflict of Interest**  
Identify an expert to provide the Council with an orientation on "conflict of interest" issues and then develop detailed Council bylaws on conflict of interest policies.
- 6. State statutes requiring a minimum of 10% of funds for support services.**  
Recommend that the legislature change program requirements to mirror federal requirements (25% maximum support services, with no minimum requirement).
- 7. Council/Committee vision and mission**  
Identify a facilitator to assist the Council on the development of a vision and mission. Limit development of a Committee vision and mission until after the full Council has addressed this key issue.
- 8. Service provider performance reports**  
Require that MDES produce an Annual Performance Indicators Report (PIR) for each Dislocated Worker Program Grantee.  
(MDES staff have already developed these reports in draft form and are working with the local services providers to verify the data).
- 9. Formula Methodology**  
Analyze the funding methodology used to allocate the dislocated worker formula funds every two years to coincide with the planning cycle and make changes to the formula as needed.

## **1. Competitive process for selection of service providers for large layoffs**

### **Current Procedures**

The current procedure for the selection of service providers for large layoffs has developed over the past several years and corresponding to the creation of state funded services. The competitive process has been intertwined with "Rapid Response" activities and often misinterrupted as "Rapid Response." While the competitive process is closely related to rapid response, it is clearly distinct and separate.

The competitive process in Minnesota developed from the existence of non-substate area service providers and a strong history of worker participation in dislocated worker programs. The emergence of the competitive process has enable Minnesota to expand services to a wider range of providers while at the same time caused the greatest amount of discussion. The need to quickly provide services (studies have shown that the best dislocated workers programs provided services as soon as possible) balanced with the need to fairly procure public funds impacted the current procedures.

The following briefly outlines the current procedures for selection of service providers for large layoff:

#### **1) Establishment of the Employee-Management Committee**

As part of the activities provided by the state Rapid Response Team, a group of affected workers is developed to serve on an Employee-Management Committee (EMC). The state policy confirms the authority of an EMC, under state management, to solicit, direct and oversee dislocated worker services.

#### **2) Employee-Management Committee Call for RFI**

Once a local EMC has been established, the Rapid Response Team facilitates the process for soliciting discretionary dislocated worker program services. The Rapid Response Team delineates this process to the EMC, including the format and process for an Request For Information (RFI).

#### **3) "For Immediate Action"**

After receiving approval of the EMC, state staff sends a notice out to the existing employment and training community that an EMC is seeking discretionary dislocated worker services. This notice allows a self-selected process for local service providers to determine interest, abilities and expertise in providing dislocated worker program services to a particular group of workers. If an organization expresses interest in being considered by the local EMC as a grantee, that organization requests the Request for Information package.

#### **4) Request for Information**

The Request for Information (RFI) follows long established governmental methods for procurement. Basically a "mini" request for proposal, the RFI contains information about an organization that will be used by the EMC to select who will provide services.

## **1. Competitive process for selection of service providers for large layoffs (cont.)**

Due to the need for a quick response, RFI's are limited to 8 pages and are to be completed in approximately four days. The RFI is the sole piece of information used by the EMC to select a service provider.

At the present, MDES limits providing the "For Immediate Action" and RFI information to the Substate Areas and the Independent Grantees. Limiting dissemination of this information to these parties have effectively managed the competitive process.

### **Citations**

Minnesota Statutes 268.9782

Evaluation- Chapter VI. State Discretionary Services for Large-Scale Layoffs

JTPA Administrative Manual Part II 13.9 and 13.10

### **BPA Evaluation**

The competitive selection process emerged as the most controversial programmatic issue of the evaluation. Minnesota law requires grantees that want to serve workers from large-scale layoffs and dislocations to submit a proposal to MDES. This statute coupled with the additional independent grantees compelled MDES to develop a non-partial method of selecting grantees while keeping within the intent of federal and state legislation.

BPA indicates that: 1) the competitive process should be greatly expanded or eliminated; 2) there are steps that MDES and the GWDC could take to increase the fairness of the selection process; 3) competition is healthy in the metropolitan region and much less common in the rural areas; 4) the guidelines for approval of a grant by the Governor's Workforce Development Council need to be developed that are consistent with detailed reviews conducted by MDES staff; 5) there may be ways to expand worker choice; and, 6) the effects of competition on the quality of services are unclear.

### **Interested Parties Position**

A wide range of opinions from elimination of all competition to expansion of competition beyond the existing network.

### **Council Recommendation**

**Allow up to 10 non-SSAs organizations to compete for discretionary dislocated worker funds. The Council will develop procedures for recruitment, selection and implementation of service providers. This will provide a "pool" of 21 organizations (11 SSAs plus 10 additional service providers). All 21 organizations will be "certified" by the Council for a 2 year period.**

## **1. Competitive process for selection of service providers for large layoffs (cont.)**

### **Other Options Discussed by the Council**

#### **A. Eliminate Competition**

This option would eliminate all competition for discretionary funding for large-scale layoffs. The assumption for this option is that the substate areas would be the "presumed" deliverer of all dislocated worker services. This option would eliminate the need for Employee-Management Committees. In addition, worker choice would be eliminated.

Elimination of competition would require changes in state legislation. Currently, state law indicates that, "the commissioner shall establish and fund dislocation event services grants designed to provide worker adjustment services to workers displaced as a result of larger plant closings and substantial layoffs." Eliminating competition would require new legislation deleting this language and designating specific service providers for large dislocation events.

#### **B. Status Quo**

See Current Procedure. The status quo option is the least disruptive and least effort of the options. This option is established and in place.

#### **C. Increase Competition**

This option would increase the number of potential service providers. Increasing the competition would require major revisions in the current process, including recruitment and selection of eligible organizations and internal policies. At this time, it appears that no new legislation would be required. Council would develop procedures for recruitment, selection and implementation of additional service providers.

## 2. Independent Grantees-status and base funding

### Current Procedures

Minnesota statutes which created the Dislocated Worker Fund also created funding for new entities called "Independent Grantees." Statutes state, "up to six additional eligible organizations" may be authorized for this funding. "Eligible organizations" means a local government unit, nonprofit organization, community action agency, business organization or association, or labor organization. Additional requirements include capacity to deliver dislocated worker services; having an identifiable constituency from which eligible dislocated workers may be drawn; a demonstrated good faith coordination with substate grantees; and, the capability to coordinate with educational institutions, employment service (Job Service), human service agencies and economic development agencies.

Since inception, the Dislocated Worker Program has had up to three Independent Grantees (Career Management Services, Minnesota Teamsters Services Bureau and the United Auto Workers Dislocated Worker Program). Currently, the Minnesota Teamsters Services Bureau and the United Auto Workers Dislocated Worker Program receive base funding (similar to formula funds allocated to substate grantees).

The process for the funding amount the Independent Grantees received was originally somewhat arbitrary. The initial amount was determined to be \$350,000 per Independent Grantee. For the past several years, the funding amount has been based on an average increase or decrease among the substate grantee funding allocation, with the base amount starting at \$350,000. For example, for Program Year 1997, this amount was set at \$327,000 (a 6.5% average decrease). It should be noted that *no provisions requiring allocations to Independent grantees* exist in state statute language. Currently, the funding source for Independent Grantees allocation originate from the federal EDWAA Governor's Reserve (40%).

The designation of being an "Independent Grantee" is limited to receiving base funding providing dislocated worker services from small layoffs. The "Independent Grantee" designation does not entitle any other benefits. Some perplexity exist on this issue, specifically surrounding the issue of discretionary projects. For more information, please see above, "Competitive process for selection of service providers for large layoffs."

MDES has not entertained the establishment of any new Independent Grantees. It is assumed that any changes in Independent Grantee status or funding will be done in the context the overall program improvements.

### Citations

Minnesota Statutes 268.9781 Subd. 2.

## **2. Independent Grantees-status and base funding (cont.)**

### **BPA Evaluation**

BPA suggests that while Minnesota law allows for the inclusion of up to six Independent Grantees, the law is unclear on the specific intent for doing so. In addition, BPA suggests the methodology for providing base funding to the independent grantees is questionable.

### **Interested Parties Positions**

A wide range of options exist both internally and externally on the existence and role of independent grantees. It is clear that there exists confusion on this issue of independent grantees in relationship to the competitive process. Independent grantees and the competitive process for discretionary projects must be considered as separate issues.

### **Council Recommendation**

**Increase the number of Independent Grantees, up to a maximum of six, as allowed in state statutes. The Council will develop procedures for recruitment, selection and implementation of Independent Grantees. Base funding will be provided to all Independent Grantees. The funding source will be EDWAA Governor's 40% Reserve funds, since no provisions are authorized for using state funds for these activities. All Independent Grantees will be "certified" by the Council for a 2 year period.**

### **Other Options Discussed by the Council:**

#### **A. *Eliminate Independent Grantee Status***

It is assumed that the inclusion of Independent Grantees introduced an aspect of choice for small layoffs and formula funding. This option suggests that the creation of "Independent Grantees" in Minnesota's system, where active competitive discretionary activities occur as well as established substate areas, has had limited positive effect. In addition, limiting the number of Independent Grantees to six has little or no desired effect. The option of the elimination of Independent Grantee Status would not require legislation.

#### **B. *Status Quo***

Two Independent Grantees, under this option, would continue to exist and receive "base funding" from federal EDWAA Governor's Reserve (40%) category.

### **3. Rapid Response**

#### **Current Procedures**

The current procedures for the competitive process for the selection of service providers for large layoffs is as follows:

**1. Dislocation Event**

Notification of a dislocation event (Worker Adjustment and Retraining Notification act-WARN, media, employment and training system or worker are the primary means of notification of a large layoff or plant closing).

**2. Employer Contact**

Following federal plant closing law (WARN) requirements, state staff contact the employer within **48 hours** to confirm layoff information and provide the employer and affected workers information about the employment and training services available.

**3. On-site Meeting with Employer and Affected Employees**

This on-site meeting begins the process for providing the employer and the workers directly with information about available services and process for accessing the services.

**4. Employee Group Meeting**

The purpose of an employee group meeting is to provide affected workers with information about publicly funded employment and training programs and to gather information about the workforce to determine need. A survey is given to the workers which provides the foundation of information to determine need for employment and training services. This survey is also used to develop a proposal which is submitted to the state for funding consideration.

**5. Formation of the Employee-Management Committee**

Through policy, the U.S. Department of Labor (DOL) strongly encourages the development and use of Employee-Management Committee in the development of programs to service dislocated workers. Numerous studies funded by DOL have shown the value of such committees. In Minnesota, this concept is an Employee-Management Committee (EMC). It is the responsibility of the EMC to assist the program in the development, implementation and oversight of a discretionary dislocated worker program.

**6. Service Provider Selection by EMC**

One of the primary responsibilities of the EMC is to select a service provider. Currently, the Rapid Response Team facilitates this activity through the RFI process (see page 2, Issue 1. Competitive Process For the Selection of Service Providers for Large Layoffs-Current Procedure).

### **3. Rapid Response (cont.)**

#### **7. Early Readjustment Assistance Grants**

The selected service provider, at the direction of the EMC may request an Early Readjustment Assistance Grants (ERAGs). These grants allow some services (basic readjustment services) to be provided immediately.

#### **8. Dislocated Event Service Grant Proposal**

The selected service provider, based on the EMC input, the worker survey, and other worker and labor market information, develops a Dislocated Event Service Grant proposal. This proposal is reviewed by state staff for funding recommendations. The Governor's Workforce Development Council makes final funding recommendations to the Commissioner. Final funding authority lies with the Governor.

#### **9. Dislocated Worker Services**

Upon approval by the Governor's Workforce Development Council, full dislocated worker services can begin.

It should be clearly noted that in a competitive process (for large event requiring discretionary funding) this process has managed the various interests while attempting to maintain a "level playing field" for the eligible organizations.

#### **Citations**

Sections 631.13 and 631.30 of the JTPA Regulations

State Statutes 268.9771

JTPA Administrative Manual Part 13.9 Rapid Response

#### **BPA Evaluation**

BPA indicates that there is no clear advantage to conducting rapid response at the state level versus the substate level. BPA suggests that if the state retains the responsibility for rapid response, classified state staff should conduct this service. Also, the state should increase the authority and role of rapid response in a competitive process.

#### **Interested Parties Positions**

There is clear opposition to state level rapid response from the substate areas. The independent grantees and the private sector are equally convinced that rapid response, in a competitive process, must remain at the state level.

#### **Council Recommendation**

**Do not change the current Rapid Response policies and procedures.**

### **3. Rapid Response (cont.)**

#### **Other Options Discussed by the Council**

##### **A. *Eliminate State Staffed Rapid Response***

Under federal law it states, "the state will not transfer the responsibility of the rapid response assistance functions of the State dislocated worker unit to another entity, but the State may contract with another entity to perform rapid response assistance service." Therefore, the State may not abdicate responsibility, but may not necessarily *perform* the activity. This option suggests that any entity may perform rapid response assistance, yet the State must retain management of a competitive process for discretionary funded project.

In addition, this would require changes in state legislation.

##### **B. *Increase Role of State Level Rapid Response***

As suggested by the evaluation, this option increases the role of State level rapid response in order to better manage the competitive process. Since MDES is not a grantee, the role of State level rapid response would continue to be a neutral party in the competitive process. As suggested by the evaluation, the increased role of State level rapid response includes the corrections of omissions or misstatements in proposals (RFIs), and developing an objective system for measuring performance of service providers.

Note: Based on other Council action (Key Issue #8. Service Provider Performance Reports), this issue may need additional Council action. Specifically, the implementation of the Performance Indicator Reports provides the state with a method to objectively provide performance data to Employee Management Committees during a services provider selection process, and would require Council action to implement.

## 4. Funding- Source of Funds and Use of Funds

### Current Procedures

The Minnesota Dislocated Worker Program is funded by a combination of state and federal money. In Program Years 1994 and 1995 approximately \$17.9 million (36%) came from federal resources and \$31.8 million (64%) from state resources. State funding is collected from a tax on Reemployment Insurance (RI) taxable wages of one-tenth of one percent. State legislation authorizing the tax was passed in 1990.

Both federal and state regulations creates several "pots" of funds. The following outlines these funding categories and the grant recipient:

#### Federal Funds

EDWAA Formula (50%)

EDWAA SSA Reserve (10%)

EDWAA Governor's Reserve (40%)  
funding

EDWAA National Reserve

#### Grant Recipient

11 Substate Areas Only

11 Substate Areas Only based on demonstrated need

Discretionary projects and Independent Grantee

Discretionary funding directly from DOL

#### Minnesota Funds

Minnesota Formula (40%)

Minnesota Reserve (60%)

Minnesota Pilot Project (up to 5%)

#### Grant Recipient

11 Substate Areas Only

Discretionary projects

Discretionary projects

Grant recipients for discretionary projects funded by state funds are limited to "eligible organizations" as defined in state statute. "Eligible organizations" means a local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

### Citations

Minnesota Statutes 268.022 Workforce Investment Fund

### BPA Evaluation

BPA has limited suggestions on the source of funds issue. The evaluation suggests that the funding issue is a political issue. BPA has suggested that the issues of transfers and collection costs should be addressed.

### Interested Parties

Clearly, the interested parties on the issue of funding are indeed interested parties. Without exception, business organizations are opposed to any additional tax. And without exception, providers of dislocated worker services wish to maintain the existing funding process.

## **4. Funding- Source of Funds and Use of Funds (cont.)**

### **Council Recommendation**

**Recommend that business and labor develop and recommend a plan to the legislature to create a Dislocated Worker Trust Fund with funding coming from a general fund appropriation and eliminate the employer payroll tax.**

The discussion of the Council on this key issue centered on the following assumptions:

- 1. Ensure the continuation of the Minnesota Dislocated Worker Program;**
- 2. Establish a Trust Fund to ensure program resources are used as intended;**
- 3. Develop methods to ensure resources regardless of economic trends; and,**
- 4. Address the opposition of the business community to the one-tenth of one percent employer payroll tax.**

### **Other Options Discussed by the Council**

#### ***A. Eliminate the Dislocated Worker State Fund***

This option would eliminate the state funded portion of the Dislocated Worker Program. Elimination of the state fund would cut the program by 64%. State legislation would be required.

#### ***B. Create Dislocated Worker Trust Fund***

This option would have the Dislocated Worker Fund follow the model established by the Reemployment Insurance fund. This model would attempt to correct inherent problems with a program with funding tied to the RI program. Specifically, such a fund would:

- More closely tie resources with need. As the evaluation pointed out, currently, the funding has an inverse relationship with need, in times of a good economy, more resources are available and in poor economic times, less resources are available. Similarly to the RI trust fund, the DPW trust fund could be adjusted as needed.
- A trust fund may withstand political pressures. Currently, each year, funds have been transferred out of this program for other purposes.
- A trust fund may withstand transfers. In Program Year 1994 and 1995 11% of the fund was transferred to the general fund. The business community has repeatedly stated that if such a fund exists, all resources should be used exclusively for dislocated worker services.

#### ***C. Status Quo***

No additional effort is required for this option. No changes in policy or legislation would be required.

## **5. Conflict of Interest**

### **Current Procedures**

Currently, no policies or procedures exist beyond state legislation for executive branch employees. The conflict of interest issue primarily arose out of the contract the state had with the Employer's Association for the position of business liaison on the Rapid Response Team. This contract has since been terminated.

### **Citations**

Minnesota State Statues 10A.07 Conflicts of interest.

### **BPA Evaluation**

The evaluation suggests the potential for the "appearance" of conflicts of interest exists.

### **Interested Parties**

Confusion on the meaning of "conflict of interest" exists. Interested parties seems to be approaching this key issue from a range of positions.

### **Council Recommendation**

**Identify an expert to provide the Council with an orientation on "conflict of interest" issues and then develop detailed Council bylaws on conflict of interest policies.**

### **Other Options Discussed by the Council**

None



## **6. State Statutes Requiring 10% Minimum for Support Services**

### **Current Procedures**

State Statutes require a minimum of 10% and a maximum of 30% of any discretionary grant be expended in the support service cost category (support services includes transportation, clothing, child care, etc.). This policy does not follow federal requirements (up to 25% may be expended on support services).

The original legislation intended that workers receive an appropriate amount of support service to successfully complete their employment and training program. However, under this requirement, the legislative intention may encourage grantees to expend resources where they may not be needed. Following the federal requirement for support service may actually increase flexibility in programming.

### **Citations**

State Statutes 268.9782 subd.3 Cost limitations.

### **BPA Evaluation**

BPA indicates that this requirement may be flawed. They suggest that the state follow existing federal law (up to 25% may be spent on support services, but no minimum is required).

### **Interest Parties**

Limited suggestions from interest parties, other than the need to continue providing support services.

### **Council Recommendation**

**Recommend that the legislature change program requirements to mirror federal requirements (25% maximum support services, with no minimum requirement). (MDES can add this as an amendment to state statutes via the Reemployment Insurance "housekeeping" bill).**

### **Other Options Discussed by the Council**

No legislative changes and no policy changes.

## **7. Council/Committee Vision and Mission**

### **Current Procedures**

Little effort has been made to maintain for historical continuation of the council vision and mission from one administration to the next. Any previous council efforts in this area generally is lost.

### **Citations**

None.

### **BPA Evaluation**

BPA indicated that the council should commit to developing a clear vision and mission.

### **Interested Parties**

Generally agree with the evaluation suggestions.

### **Council Recommendation**

**Identify a facilitator to assist the Council on the development of a vision and mission. Limit Council development of a vision and mission until after the full Council has addressed this key issue.**

### **Other Options Discussed by the Council**

None

## **8. Service Provider Performance Reports**

### **Current Procedures**

Presently, state staff has been actively developing a "Performance Indicators Report" for all grantees receiving state and federal funds. It is anticipated that the report be available for state and local staff use for program improvements, as well as participant use.

One specific use of the Performance Indicators Report would be use by the Employee Management Committee during the service provider selection process. As suggest by the evaluation, such objective performance evaluation tools would better inform EMC members on the success of various organizations. Also, as suggested by the evaluation, the development and dissemination of such data requires that it be done by a neutral party (state staff) to ensure accuracy and consistency.

### **Citations**

None

### **BPA Evaluation**

In several areas, BPA suggests the development of performance reports to more effectively measure program success and manage resources.

### **Interested Parties Position**

Limited discussion.

### **Council Recommendation**

**Require that MDES produce an Annual Performance Indicators Report (PIR) for each Dislocated Worker Program Grantee.**

**(MDES staff have already developed these reports in draft form and are working with the local services providers to verify the data).**

### **Other Options Discussed by the Council**

None

## **9. Funding Methodology**

### **Current Procedures**

Both state and federal formula allocation methodology use various factors to determine amounts each of the 11 substate grantees receive. For state resources these factors may include:

- insured unemployment data
- dislocated worker special assessment receipts data
- small plant closing data
- declining industries data
- farmer-rancher economic hardship data
- long-term unemployment data

For federal allocations, the factors include:

- Insured Unemployment
- Unemployment
- Mass Layoffs
- Declining Industries
- Hardship Farmers
- Long Term Unemployment

MDES's Office of Research and Statistics provides the data required to develop the formula allocation methodology. For the past several years, the methodology has remained constant. Difficulties with modifying the methodology include: 1) even slight changes in one factor dramatically affect the amount a grantee receives; 2) funds may not be targeted to areas where they are most in needed; 3) unwillingness by the substate areas to change present methodology; and 4) some dispute over the factors reliability.

### **Citations**

Minnesota Statute 268.9781 Worker Adjustment Services Plan

### **BPA Evaluation**

BPA suggests that the "formula allocation" methodology used to allocate resources to substate areas for services to workers affected by small layoffs may not necessarily provide resources where they are needed.

### **Interested Parties**

Little discussion

### **Council Recommendation**

Analyze the funding methodology used to allocated the dislocated worker formula funds every two years to coincide with the planning cycle and make

## **9. Funding Methodology (cont.)**

changes to the formula as needed.

### **Other Option Discussed by the Council**

#### **A. *Revise the Funding Methodology***

The process for revising the funding methodology would include detailed analysis on affects of any change. Various "weight" changes on factors would change funding amounts.

#### **B. *Status Quo***

No methodology changes therefore no funding allocation changes.