



Local workforce boards receive funding for the State Dislocated Worker (DW) Program from the Workforce Development Fund (WDF) through a partnership process outlined in state statute between the Job Skills Partnership Board, local elected officials and the Local Workforce Development Boards. This has resulted in a formula allocation, complimenting the federal dislocated worker funds dispersed to local boards. Maintaining this formula method to allocate funds is important for the following reasons:

- Formula funding provides equitable distribution to ensure dislocated worker services are accessible in every county, providing the state with a structure/base of workforce programs and services that are responsive and can move quickly.
- The State DW program is a foundational program in local workforce areas that maintains a high level of service, consistency, standards, and outcomes aligned with federal DW programming. A statewide competitive bidding process would provide inconsistent customer service and could lead to a break in services, creating uncertainty for jobseekers and employers.
- Local boards determine the most appropriate entity to provide dislocated worker services in their local areas. These decisions are best made at the local level by the boards who know the local economy – including jobseekers and employers, and can get funding out quickly.
- In addition to the State DW program, local boards receive state formula funding for the Minnesota Youth Program (MYP), allowing for the strategic alignment across workforce programs.
- Local boards have excellent performance measures running dislocated worker programs and receive technical assistance from DOL, DEED and MAWB. Moving to RFP the funding, would needlessly take time and resources away from an already high-performing model.
- Dislocated worker programs are integrated into the CareerForce system. The State DW funds support the existing CareerForce system and infrastructure costs.
- Accessibility of services through the wide network of CareerForce brick and mortar locations, in addition to virtual services, is extremely important, especially in Greater Minnesota where broadband may not be available or reliable.
- Current State DW formula allocations do not prevent additional organizations from receiving funding, such as Small Layoff Independent Grantees (SLIGs).
- DEED has the ability to engage with local boards to align equity goals across federal, state and local funding that is administered by local boards via the state, regional and local plans.

MAWB recommends the following changes to the State Dislocated Worker Program to ensure maximum flexibility of funds to better serve jobseekers and employers.

Statutory Changes:

- We are all interested in serving a diverse range of participants in the DW program. Here are definitions in statute and policy which may prevent us from doing so and warrant further discussion between DEED and providers:
 - *Long Attachment to the Labor Force* requirement for the long-term unemployed. We recommend removing this requirement to be able to serve long-term unemployed who may not be able to show previous long attachment to the labor force.

- *Limited Reemployment Opportunities* as an eligibility requirement. We recommend flexibility around this requirement, some laid off individuals may have reemployment opportunities but only in low-wage jobs.
- *Unlikely to return to the previous industry or occupation* as an eligibility requirement. We recommend flexibility on this requirement, given the changing economy it is not always certain if a person will be able to return to their previous industry. Jobseekers should not be prevented from accessing DW services because they may potentially be able to return to their industry.
- Funding requirements flexibility—increased flexibility in these funding areas would be beneficial in serving BIPOC communities.
 - Not everyone wants to go to training or can stop working and attend training. We recommend reducing the requirement that 50% of funding must go to training. Many local areas already request the waiver to reduce the requirement to 30%.
 - We recommend raising the support service cap from 15% to allow more funding to go to support services which are essential for many dislocated workers.
 - Another suggestion is to have an overall percentage, such as 70% of funds, be used for training OR support services.
- Adding allowable activities—create flexibility on the use of state DW funds to support much needed career pathways and sector strategy development.

DEED Policy Changes:

- Current policy has a 20% cap on incumbent worker training. We recommend increasing this as incumbent worker training is in high need. This would allow us to serve more and potentially more diverse populations.

General Suggestions:

- We recommend enhanced coordination with Rapid Response and local areas. Local boards would like to engage with newly laid off individuals as soon as possible to engage them in DW services. This is imperative especially for low-wage workers who must move on to new job immediately to avoid a break in income. They are less likely to learn about DW services and take advantage of them the longer it takes Rapid Response to respond. We have already started this conversation with Marc Majors and look forward to next steps here.