

**Date:** June 11, 2024

**To:** Minnesota’s Dislocated Worker Program Service Providers

**From:** Omondi, Adult Programs Director

**Subject:** 2024 Legislative Amendments to State Dislocated Worker Program

The State Dislocated Worker (DW) Program, authorized by [Minn. Stat. 116L.17](#), provides employment and training services to Minnesota residents who meet one of six defined criteria. During the 2024 Legislative Session, the Legislature approved the following changes:

- Expanded the definition of DW to include three new populations.
  1. Spouses of active-duty members of the U.S. Armed Forces who have lost employment due to a service member relocation, is unemployed or underemployed,
  2. Individuals with non-work-related injuries or illnesses who need support to re-enter or remain in the workforce, and,
  3. Adults with low income, are a recipient of public assistance or are basic skills deficient.
- Repealed cost category limits related to the use of Program funds. While the statute allows a 5% administrative cap for DEED, it has removed all administrative thresholds for grantees.

These changes were signed into law by Governor Walz and are effective July 1, 2024. However, policy modifications and implementation will take place throughout the remainder of 2024. These amendments are important in expanding access to MN residents who could benefit from DW services and allows flexibilities for grantees to design service delivery models that are responsive to local needs.

**Table 1: Comparison of Eligibility for WIOA DW and State DW**

Eligibility Category	WIOA DW	MN STATE DW
Individual or Small Group Layoff	✓	✓
Permanent Closure or Mass Layoff	✓	✓
Self Employed	✓	✓
Displaced Homemaker	✓	✓
Military Spouse	✓	✓
Separating or Separated Members of the U.S. Armed Forces (including National Guard Veteran, or Armed Forces Reserves Veteran)	✓	✓
Long-term Unemployed	✗	✓
Individual with non-work-related injury or illness without a worker's compensation case	✗	✓
Adult with low income, a recipient of public assistance, or is deficient in basic skills.	✗	✓

**Recommendations and next steps:**

Although all cost category requirements have been removed from the program, DEED will expect new contract agreements for SFY25 to provide reasonable levels of expenditures in each of the categories (Administrative costs, Career, Training, and Support services). Due to the fast-approaching start of the new fiscal year (July 1), the following is recommended:

- As you complete your work plans for SFY25, ensure that planned expenditures are within (3-5)% of your previous plans. For example, if your SFY24 contract had 10% in administrative costs, your SFY25 admin should be at 13% or 15%.

Below are proposed areas of focus and timelines:

- Review and assessment of current policies, procedures, and case management/Workforce One (WF1) processes impacted as a result of these updates.
  - Timeline: June 30<sup>th</sup>, 2024
- WF1 remapping and updates.
  - Dec. 31<sup>st</sup>
- Development and modification of new policies.
  - Timeline: Sept 1<sup>st</sup>
- Communication and Training for policy rollout.
  - Timeline: Dec. 31<sup>st</sup>
- Monitoring, evaluation, and feedback integration.
  - Timeline: ongoing

**Note:** The implementation of the policy changes and system remapping will take time. Grantees will be able to serve the new populations once the remapping of WF1 has been completed and all relevant policies and procedures are in place.

**References and Resources:**

[DEED State Dislocated Worker Eligibility Policy](#)

[DEED Cost Category Waiver Policy](#)