

Workforce

DEVELOPMENT, INC.

*The Workforce Development Board
of Southeast Minnesota*



Southeast Minnesota Workforce Development Board Strategic Planning Meeting

**Randy Johnson
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August 3, 2017



Responding To A Survey

Audience Can Respond At:

Website: PollEv.com/wdiquestions

or

Text: **WDIQUESTIONS** to **22333**

To Join The Session

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- Who is in the room?
 1. Private Business
 2. Education
 3. Elected officials
 4. Service Provider
 5. Other

The State of the U.S. Workforce

- **3.7% unemployment; 8.6% real unemployment**
- **65% of people say good jobs are hard to find**
- **5.6 million jobs going unfilled**
- **7.3 million fewer jobs for those without a high school diploma**
- **An additional 6% of all jobs will be automated by 2020**

Jobs Changing Rapidly

	<u>1970</u>	<u>2012</u>	<u>2016</u>
Jobs lost to cyclical change	49%	21%	15%
Jobs lost to structural change	51%	79%	85%

65% of the jobs that today's first-graders will take when they graduate have yet to be created.

The State of the U.S. Workforce

- **87% of working Americans believe it is essential to keep learning on-the-job**
- **60% of adults believe their children will be worse off than their parents**
- **5.5 million youth are not in the labor force**
- **54% of employers say they cannot find the talent they need**
- **Defense Sec'y, Mattis- U.S. Military readiness suffers by lack of prepared and trained personnel**

- Why is there a misalignment between jobs open and job seekers?
 1. Current labor force does not have the requisite skills
 2. Employers are using traditional means to locate non-traditional talent
 3. Most unfilled jobs pay very little-no one wants them.
 4. Job seekers aren't aware of career paths or employers

- What should be our workforce development strategy regarding automation?
 1. With automation comes the loss of manual jobs, but an increase in tech-support jobs: train more technicians
 2. Automation has not shown a growth in tech-support jobs: counsel people to be cautious of production work
 3. It is impossible to predict tech jobs of the future: schools should simply teach essential soft skills
 4. Ensure that all students stay current with industry developments and are prepared to switch careers often

- What should be the approach to workforce development with our Federal policies?
 1. Highest priority must be given to preparing our workforce- spend whatever it takes- it's a matter of national security
 2. Job training and workforce development are just code words for education and the Federal government doesn't belong in education
 3. Assure alignment of all current Federal programs and promote the system with current levels of funding
 4. All we need to do is promote apprenticeships and give tax incentives to business, and it will take care of itself
 5. Unemployment is low now-shift funding to more pressing issues

State of MN Workforce

- **Income disparities amongst minorities one of the highest in the U.S.**
- **Youth workforce participation rates very low**
- **Skill obsolescence increasing-dislocated workers cannot find an equivalent job without retraining**
- **Unemployment rate of the disabled is unacceptably high**
- **Number of formerly incarcerated needing to reenter the workforce is substantial**
- **With diminished resources, some WorkForce Centers closing or reducing hours**

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MN Workforce Development Fund

- **Created around 1990- payroll fee 0.1%**
- **Yields some \$55 million dollars per year**
- **Current distribution:**
 - **Direct appropriations 51%**
 - **Competitive bid programs 14%**
 - **Dislocated workers (what's leftover) 35%**

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- With the many diverse needs for workforce development services, given limited funding, who should make the decision what to fund?
 1. The legislature should continue to make direct appropriations to whatever groups they'd like to fund
 2. There should be a State Board in St. Paul that makes the decisions for the local areas
 3. The local Workforce Development Boards and local elected officials should choose what to fund in their area
 4. All things considered, \$55 million is not a lot of money – raise the fee and fund all requests
 5. Kill the program and give the money back to employers

- With respect to the State's Workforce Development System, which statement do you most agree with?
 1. We don't need any common infrastructure to be effective- put all the money out for competitive bid
 2. It is important for employers and job seekers to have a locally identifiable place to go for service when they need it
 3. Enhanced technology tools can meet the lion's share of the State's workforce development needs
 4. It is natural to expect fewer workforce services and locations during times of low unemployment

Minnesota Public Assistance

Minnesota Family Investment Program (MFIP)

- This is Minnesota's version of the federal program Temporary Assistance for Needy Families (TANF)
- This program includes cash and food benefits along with employment services.

Diversionsary Work Program (DWP)

- Minnesota's four month program that provides services, supports and employment services to help families move immediately to work and avoid public assistance.

Supplemental Nutrition Assistance Program (SNAP)

- food assistance to help support those in need

A bit of history:

1996: President Clinton signed the **Personal Responsibility and Work Opportunity Reconciliation Act** of 1996 (PRWORA). This federal law is considered to be a major welfare reform which led to state legislation creating MFIP.

1997: MFIP legislation is signed . Major components include establishment of a five year lifetime limit and a “work-first” strategy.

2000: As the first families get close to the five year limit criteria is developed to provide extension categories for families facing serious medical conditions, families working but not making enough to leave assistance, etc.

2003: Legislature toughens the program with reduced subsidies for families with disabilities, stronger sanctions, and requirements for parents pursuing education to also work 20 hours per week.

A bit more history:

2004: Diversionary Work Program: a four month program designed to meet specific crisis situations and help families move immediately to employment.

2006: Increased documentation/ verification and program monitoring required via the Federal Deficit Reduction Act

2007: Legislature restores full assistance to families with disabilities and lifts work requirements for parents pursuing higher education for up to one year.

2008: Family Stabilization Services are added to allow families with significant challenges more flexible services.

2014: Legislature increases access to adult basic education, English language learning and post-secondary education.

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20 Years of Temporary Assistance for Needy Families (TANF)

01/24/2017

	Total AFDC cases @ Co. July 1996	County AFDC case % census 1996 incidence in population	Total TANF cases @ Co. July 2016	County TANF case % census 2016 incidence in population	caseload # change 96 to '16	caseload % change 96 to '16	incidence change 96 to '16
Dodge	113	16,926 0.7%	50	20,645 0.2%	-63	-55.8%	-0.4%
Fillmore	135	20,916 0.6%	35	20,802 0.2%	-100	-74.1%	-0.5%
Freeborn	396	32,698 1.2%	116	29,984 0.4%	-280	-70.7%	-0.8%
Goodhue	221	42,742 0.5%	94	46,688 0.2%	-127	-57.5%	-0.3%
Houston	107	19,245 0.6%	37	18,522 0.2%	-70	-65.4%	-0.4%
Mower	412	37,674 1.1%	173	39,069 0.4%	-239	-58.0%	-0.7%
Olmsted	1,050	115,169 0.9%	545	158,982 0.3%	-505	-48.1%	-0.6%
Rice	385	52,821 0.7%	165	66,683 0.2%	-220	-57.1%	-0.5%
Steele	187	32,018 0.6%	151	36,935 0.4%	-36	-19.3%	-0.2%
Wabasha	103	20,581 0.5%	31	20,811 0.1%	-72	-69.9%	-0.4%
	3,109	390,790 0.8%	1,397	459,121 0.3%	-1,712	-55.1%	-0.5%

* Over the past 20 years, WDI has placed 44,045 public assistance recipients in regular jobs, and helped them move off assistance!!

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The Data:

Total numbers served MFIP/DWP/SNAP:

2016	3626
2017 (to date)	2416

Average Wage

WDI	MFIP	\$12.38	DWP	\$12.73
Southeast MN	MFIP	\$11.00	DWP	\$11.00

Percent of customers that are working while on assistance:

MFIP	65.1%	DWP	61.7%
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Numbers in Education Activities - MFIP

Post secondary education	163
GED/ESL/High School Completion	86

Percent of customers that close with employment:

WDI	63.4%	Southeast MN	55.0%	State	33.0%
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Percent of customers that remain closed for 12 months or more:

SE MN	72.4%	State	67.3%
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My question for you.

When working with our public assistance job seekers where should we focus our staff time and program resources?

1. Education, including GED, post-secondary education
2. Soft skills training such as work expectations, attendance, punctuality and work ethic
3. Short-term Career Pathways training
4. Strictly Job Seeking – Work First
5. Job Retention

- What would you say the most pressing workforce development issue is today?
 1. Our youth do not have basic work skills or an awareness of the workplace
 2. We are running out of people- we need more people to migrate to Minnesota
 3. Not many applicants can pass a drug test
 4. We need more on-the-job training/internship/apprenticeship opportunities
 5. Our postsecondary education options need to be more relevant and affordable
 6. Transportation, housing, and childcare assistance
 7. Other

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