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Senator Paul Wellstone
136 Hart Senate Office Building
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Honorable Senator Wellstone:

Minnesota has a great deal of experience at the community level with the integration of services funded through the Workforce Investment Act (WIA) and Temporary Assistance to Needy Families (TANF). I want to share a few observations from Minnesota that may inform the federal debate now underway on the reauthorization of these two federal programs.

At the outset, it is important to say that we certainly see WIA and TANF as important elements of an integrated workforce, education, and economic development arena and appreciate Congressional intention to further integrate and connect these programs to each other and to other important federal efforts. In Minnesota, we have a strong partnership between key state agencies delivering these services. The Department of Economic Security (MDES) administers WIA, Welfare-To-Work Block Grants, and other key federal programs while the Department of Human Services (MDHS) administers TANF with eighty-seven counties delivering services. MDES and MDHS provide joint oversight to ensure coordination of goals and processes at the state level. We value our county-based delivery of TANF services and appreciate that most Minnesota counties choose to deliver TANF services through the WorkForce Center (one-stop) system. We think we have developed a good balance between state-level coordination while still allowing for local choices in service priorities and service delivery mechanisms. Needless to say, we strongly support continuing and expanding individual states' flexibility in how WIA and TANF services are delivered and would adamantly oppose any approach by Congress that suggests a single approach for all states to follow.

We know that in Minnesota (like many states), we are experiencing a long-term structural labor shortage as well as skills shortages in specific industries and occupations. We are often unable to use federal funds in support of Minnesota's strategic priorities because of separate appropriations by legislative title or program and subsequent reporting requirements by title or program. Our experience suggests that the best ways for Congress to maximize WIA and TANF resources in the states are:

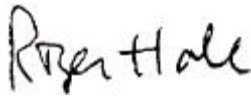
1) Make appropriations commensurate with the universal reach expected of WIA services and the demands of serving TANF participants. Workforce Investment Act funding is inadequate to reach both low-income and universal customers as intended by Congress. Historically declining funding in the face of increasing expectations has created a difficult strain on state systems. We are unable to serve those most in need, expand our reach to more "universal" customers, and support the necessary infrastructure for local decisionmaking, data collection and analysis, and the physical presence of WorkForce Centers where they are needed. This also results in local areas having to choose spending on needed infrastructure at the expense of training for program participants. At the same time, the cost of successfully serving families now on the TANF caseload is rising. We need more resources to succeed with WIA and we do not want this to come at the expense of TANF funding to serve welfare participants in Minnesota. If Congress wants a successful welfare system and a universally available, quality-driven workforce system, appropriations in both areas must reflect that commitment.

2) **Encourage funding and reporting to follow state-defined priorities and services.** Minnesota's Family Investment Program (MFIP) gets parents receiving TANF benefits into the labor market. WIA funds can be used to advance those individuals' through subsequent placements, additional training and education, and other supports. To fully measure the value of those federal investments, we need to be able to track progress across funding streams. Performance measures for WIA and TANF should be meaningful in the context of states' strategic priorities and should be developed jointly so that the measures for WIA and TANF, respectively, are complementary. It is important that TANF move more toward WIA's employment, retention, and earnings measures (rather than caseload reduction and participation) while WIA measures be simplified to measure just a few things nationally, while the remaining measures be tailored to state priorities. Finally, actual negotiated performance levels need to take into account local economic conditions and the characteristics of the populations using the services

3) **Support states delivery of services through the most effective means to serve customers.** Many effective training providers are excluded from providing services either because of the provider certification mandate or because of burdensome reporting practices. We would like maximum flexibility to take advantage of many effective community-based providers and higher education campuses that could be contributing more significantly to our success. Further, we face a significant personnel burden over the next five years as significant numbers of state agency staff reach retirement. There are continuing barriers embedded in the separateness of the WIA titles that may prevent us from being appropriately staffed in the coming years, e.g., expectations that funding and staffing follow WIA Title lines rather than being pooled and more strategically deployed. We expect federal law to continue to allow Minnesota counties to choose WorkForce Centers and/or nonprofit providers to deliver TANF services. We encourage that kind of flexibility to be built into the next iteration of the Workforce Investment Act.

As discussion and debate continue on these topics over the next few months, we would be happy to talk in greater depth about our experiences in Minnesota and ideas for improving federal legislation and implementation. On behalf of the members of the Minnesota Governor's Workforce Development Council, I thank you for your commitment to strengthening our workforce and welfare systems to best serve Minnesota's citizens.

Sincerely,



Roger L. Hale, Chair

cc: Governor Jesse Ventura
Minnesota Governor's Workforce Development Council
Minnesota Local Workforce Council Chairs
Emily Stover DeRocco, Assistant Secretary, US Dept. of Labor
Dr. Wade Horn, Assistant Secretary, US Dept. of Health and Human Services
Byron Zuidema, Regional Administrator, US Dept. of Labor
Joyce Thomas, Midwest Hub Director, US Dept. of Health and Human Services