

Memo

To: GWDC Executive Committee
From: Kathy Sweeney, Luke Weisberg, and Koryn Zewers
Date: 3/30/2004
Re: Follow-up on skills development agenda

At our 3/9/04 GWDC Executive Committee meeting, there was extensive discussion about framing a set of recommendations to focus Minnesota's workforce portfolio on critical skill development efforts to meet business needs and help Minnesotans advance in their careers. Following is a proposal on how to advance that agenda in the next several months. *Key questions for discussion by the Executive Committee are italicized.*

* * * * *

What: Focusing Minnesota's workforce development portfolio on skill attainment that benefits businesses and workers alike.

Why: We see a number of economic and demographic drivers suggesting that strengthened education and training for Minnesota's incumbent and future workers is key to keeping Minnesota's economy competitive in the long-term. Further, two opportunities make this shift in investment timely: 1) development of the Governor's 2005-07 biennial state budget; and, 2) a planning process from 7/04 through 5/05 to articulate how Minnesota will use its federal workforce resources under the Workforce Investment Act (WIA).

How: This agenda will be advanced in three specific ways:

- ◆ The GWDC will complete a written product in June 2004 that articulates the strategic focus on skills development and highlights specific parts of the workforce investment portfolio that can be shifted and used in furtherance of that strategic focus.
- ◆ The GWDC will convene a group of stakeholders both inside and outside government to advance these ideas, develop other strategies, and advocate during the state budget process for the recommendations developed. These stakeholders will also likely be involved in the state-to-federal WIA planning process and can advance the agenda in that venue as well.
- ◆ Finally, the GWDC will use its members to advance the strategic message on skills development through speaking opportunities, media exposure and other venues. This will not be a large-scale effort, but a small supporting effort following the completion of the written product in June and asking GWDC members to be visible and vocal during both the state budget and WIA planning processes. *Should we push for some sort of gubernatorial announcement or speaking engagement on this topic in summer? Perhaps use the October Minnesota Development conference? (Sample rhetoric on page 5)*

Who: The GWDC will take the lead in articulating a broad strategic direction and, with state agencies and institutions, formulate specific programmatic and policy proposals to be considered in the state budget process and in our state-to-federal plan for WIA.

- ◆ *Does the Executive Committee want to convene a short-term ad hoc committee (composed principally of members not currently affiliated with a committee) to provide oversight to the development of the written product?*
- ◆ The GWDC will also convene (with the McKnight Foundation) a key group of stakeholders to provide additional guidance and support to the effort.

When: With concurrence of the full Council, this effort is expected to begin in April 2004.

- ◆ The written product that makes the case for a skills development focus and offers specific recommendations will be completed in June 2004.
- ◆ Advocacy work to inculcate this focus into state-to-federal WIA planning will be done principally by GWDC staff and members from July 2004 through May 2005.
- ◆ The GWDC will work with the Governor's Office and state agencies and institutions from July through December 2004 to negotiate specific state budget proposals affecting the workforce development portfolio. During the 2005 legislative session, the GWDC will be actively engaged in promoting specific proposals and highlighting the aggregate effect on the workforce development portfolio.

Key dates:

4/1/04	Executive Committee discussion, amendment and adoption
4/16/04	Full Council review, discussion, amendment, and adoption
5/04	GWDC Committees contribute recommendations GWDC Executive Committee reviews progress
late 6/04	Draft circulated for review and comment by GWDC members and stakeholder group WIA planning process begins: GWDC frames, key state agencies lead work
7/16/04	Full Council review and approval of written product
8 – 12/04	Budget negotiation between agencies and Governor's Office
1 – 5/05	State legislative session and budget negotiation WIA planning process continues to 5/05
7/05	New state fiscal year begins, with programmatic and policy implementation of skills development agenda

* * * * *

Outline of the written product – “*Investment Advisory: Recommended Changes to Minnesota’s Workforce Investment Portfolio*”

- I) What are the key drivers of our economic picture?: We have key drivers (evident in the daily news) that paint a challenging picture of our current and future economic environment.
 - A) MN slipping from “preeminence” – cite post-secondary ed, high school completion stats, etc.
 - B) Coming demographic / skills gap
 - C) Growing income gap among Minnesotans (including growing wage gaps)
 - D) Dwindling state and public resources
- II) Focus on skill development: We have ample evidence suggesting that additional education and skills attainment certainly benefits individual workers and business productivity; and, strong research showing the kinds of job-specific skills that are likely to be needed in coming years.
 - A) We have three specific kinds of skills needs among three identifiable customer groups. *Table A* shows the kinds of skills needed by each group for each set. Additional work in this section of the written product will identify what institutions deliver those skills and the mix of public, private (business), and personal investments support skill development across the matrix.
- III) Supporting material / threads
 - A) Each GWDC committee will contribute specific recommendations based on its current work.
 - B) There are many current and recent writings that reflect the body of knowledge about skills development and its place in workforce development policy. The base for this is programmatic information from the “Gunther inventory”. Additionally, we have material from Families Forward, American Assembly writing on workforce intermediaries, previous work on skills standards and industry clusters, recent report from Growth&Justice, and other national and Minnesota-specific material. GWDC staff will summarize the key themes and issues in this material that support a skills development focus in Minnesota’s workforce portfolio.
 - C) GWDC staff will summarize major themes and learning from several efforts underway organized regionally, e.g., RED Group projects.
- IV) Recommendations to focus our investment portfolio
 - A) Specific programmatic and policy direction in state-funded programs across state agencies and institutions to focus portfolio on skills development.
 - B) Smarter service delivery using our federal funds (incorporate “Gang of 24” work and previous GWDC WorkForce Center Strategic Plan thinking) to continue supporting local leadership/delivery using common statewide infrastructure and guidance.
 - i) Inculcate federal program plans with state-level strategic focus on skills development
 - ii) Ensure that we are moving ahead toward integrated system-level performance measures that allow us to track the value of our state and federal investments as well as report programmatic outcomes as required.

TABLE A

	Youth – People between the ages of 14 -21	Emerging – People over the age of 21 who are not currently employed	Incumbent - People who are currently employed in Minnesota
Basic Academic Skills (core academic skills and work-based skills)	<ul style="list-style-type: none"> ➤ Meet NCLB standards for core academics. ➤ Have work-based skills (problem solving, critical thinking, technology, etc.). 	<ul style="list-style-type: none"> ➤ Receive necessary remediation. 	<ul style="list-style-type: none"> ➤ Receive necessary remediation
Job Specific Skills (preparing for a specific occupation)	<ul style="list-style-type: none"> ➤ Begin to hone a specific skill set for future employment through work-based learning opportunities and/or further education. 	<ul style="list-style-type: none"> ➤ Develop occupation specific skills through further education / training or through work experience. 	<ul style="list-style-type: none"> ➤ Expand job specific skills to increase mobility within the workforce and increase productivity.
Career Exploration and Mobility Skills (decide on a career and understand how to be mobile in the working world)	<ul style="list-style-type: none"> ➤ Access career exploration materials and labor market information to determine a possible career path. ➤ Learn about career ladders and how to use them to one's advantage. 	<ul style="list-style-type: none"> ➤ Determine how to navigate the working world, including deciding on a career path, understanding labor market information, how to maintain mobility, and creating career ladders. 	<ul style="list-style-type: none"> ➤ Understand how to be mobile within the workforce. ➤ Be aware of labor market information and economic trends. ➤ Reassess career laddering opportunities

Sampling of potential gubernatorial rhetoric

Governor Tim Pawlenty announced a major initiative today to focus the state's workforce development investments on skill building for Minnesotans. "I introduced job creation initiatives when I first came into office. Today, I take the next step to ensure that we have Minnesotans with the skills to do the jobs we are creating. We will not be part of a race to the bottom in Minnesota – simply competing on lower wages. We will build on our legacy of a smart, skilled, and hard-working labor force." The Governor announced that part of his 2005-07 budget would include investments in:

- More investment in the MN Job Skills Partnership Program (together with the Minnesota State Colleges and Universities) with special focus on key industry sectors and ensuring that lower-income Minnesotans get the skills they need to advance in their careers. This investment will be matched by the McKnight Foundation which has already invested \$5 million over the last three years in this kind of effort.
- Pilot programs focused on skills upgrades for emerging workers, specifically, new Minnesotans and Minnesotans with disabilities entering the workforce
- Better access to career exploration information and skills to ensure that Minnesota students know how to use the tools and materials now available
- A regular labor force assessment survey which will complement the popular vacancy survey completed quarterly by the MN Department of Employment and Economic Development.

As part of the announcement, the Governor also said, "In addition to focusing our state and federal investments on skills development, I am taking important steps today to embrace the millions of private and philanthropic dollars that are used for skill training in Minnesota. We will shift our service delivery from a public system to a public/private partnership that embraces the nonprofit and for-profit providers doing good work everyday alongside our state and local government employees. Minnesota employers, nonprofit organizations, and others spend XX billion annually on worker training and advancement. Beginning today, our state investments will leverage that private money – not compete with it. State government will begin a shift from a "retail" provider of service in many cases to a "wholesale supplier" of funding, infrastructure and expertise using our state and federal resources" The Governor's Office said that promoting smarter service delivery and performance management is a theme that will run through all of the Governor's biennial budget proposals.