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# Case Studies on the Implementation of the Workforce Investment Act: Spotlight on Minnesota

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# Case Studies

Spotlight on Minnesota

## on the implementation of the Workforce Investment Act

by Sheila Fesko, Jaimie Ciulla Timmons, &amp; Allison Cohen

### Introduction to the Series

The implementation of the Workforce Investment Act (WIA) requires major organizational change for employment and training agencies. The initiative emphasizes coordination, collaboration and communication among organizations for better service delivery. At this time, states are developing systems that will enable them to address the needs of all customers seeking employment. The Institute for Community Inclusion (ICI) has conducted state case studies for two purposes: (1) to identify how states have begun the process of collaboration under the new mandates of WIA; and (2) to understand the impact on customers with disabilities.

This is the second in a series of publications highlighting the findings from case studies in three states. Other studies describe the challenges and successes of WIA implementation in Maine and Kentucky. Following these reports, a series of cross state analyses will focus on themes that were common among all states. These products are intended for use as a practical resource for other states as they work to create more collaborative systems for all job-seekers.

The Workforce Investment Act (WIA) mandates a new level of collaboration between agencies providing training and employment supports. The law requires substantial shifts in the organizational structures of the partnering agencies and the way they interact with each other. States are currently implementing this initiative and are at varying stages in the process. The Institute for Community Inclusion (ICI) conducted state case studies to look at how state agencies collaborate to serve customers, and specifically to consider the impact on individuals with disabilities seeking employment. Two researchers from ICI visited Minnesota in November, 2000 and interviewed 22 state and local key informants who are directly involved in the implementation process. All interviews were tape recorded, transcribed, and analyzed to develop the subsequent findings. Additional information from written material and Minnesota's state website are included in this analysis. Individuals interviewed are from the Department of Economic Security, Rehabilitation Services, State Services for the Blind as well as community disability agencies and organizations.

These individuals generously shared their knowledge and insights in an effort to assist other states as they experience the challenges, risks, and rewards of collaboration. This publication highlights the roadblocks and successes Minnesota has faced in its quest to provide more integrated employment supports. Throughout the text, quotations from the respondents serve to illustrate their experiences. This report is presented as a resource for other states as they create collaborative systems that reflect WIA's federal mandates.

### Minnesota's Demographic Profile

#### Population

- 3,960,825 in 1999 (7% increase from 1990)
- 48% of the population lives in a metropolitan area (Significantly lower than the national average of 79%).

#### Income (1997)

- Twelfth lowest poverty rate: 9.7% (Natl. average: 13.5%)
- Average yearly wage: \$30,264 (Natl. average: \$30,336)
- Median income for a four-person household: \$60,577 (Source: [www.mnworkforcecenter.org/lmi/pub1/ranking.pdf](http://www.mnworkforcecenter.org/lmi/pub1/ranking.pdf))

#### Geography

- 79,617 square miles
- 60 persons per square mile (Natl. average: 77.1 persons)

#### Labor market information

- Second-highest labor force participation rate: 74.5% (Natl. average: 67%)
- Second-highest rate of female participation in the labor market: 68% (National rate: 60%)
- Highest participation rate of people with disabilities: 64.5% (Natl. average: 48.7%)
- Rapid growth in employment. Unemployment rate at or below 3% since 1998. Had the lowest rate in the nation in 1998.
- March, 2002 unemployment rate: 4.7% (Natl. average: 6.1%)
- Total employment is projected to surpass three million by 2006, increasing by over 416,000 jobs (16% gain from 1996). Increase of nearly 42,000 jobs per year.

(Sources: [www.mnworkforcecenter.org/lmi/e4.htm](http://www.mnworkforcecenter.org/lmi/e4.htm) & 2000 Census Supplemental Survey)



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## History and Structure of the Minnesota Workforce System

In 1993, the concept of the One-Stop system began in Minnesota. Federal, state and local representatives including Minnesota’s Job Services/Unemployment Insurance, State Services for the Blind, Rehabilitation Services, Job Training (agencies that comprise the Department of Economic Security) met to establish the first One-Stop office in Minneapolis. Minnesota received a federal grant in 1995 to develop a comprehensive, statewide One-Stop system. Participation in the Department of Labor’s pilot program gave Minnesota the opportunity to develop a collaborative infrastructure within its state agencies, creating more coordinated supports for job-seekers. Although Minnesota has many years of experience implementing this system, the journey towards seamless service delivery continues.

### Current Infrastructure

Minnesota’s Cabinet is comprised of 20 commissioners of the departments under the Governor’s Office. The three departments that are particularly relevant to this study are the Department of Human Services, the Department of Children, Families, and Learning, and Department of Economic Security. Table 1 partially describes the state administrative structure. The Department for Economic Security is responsible for

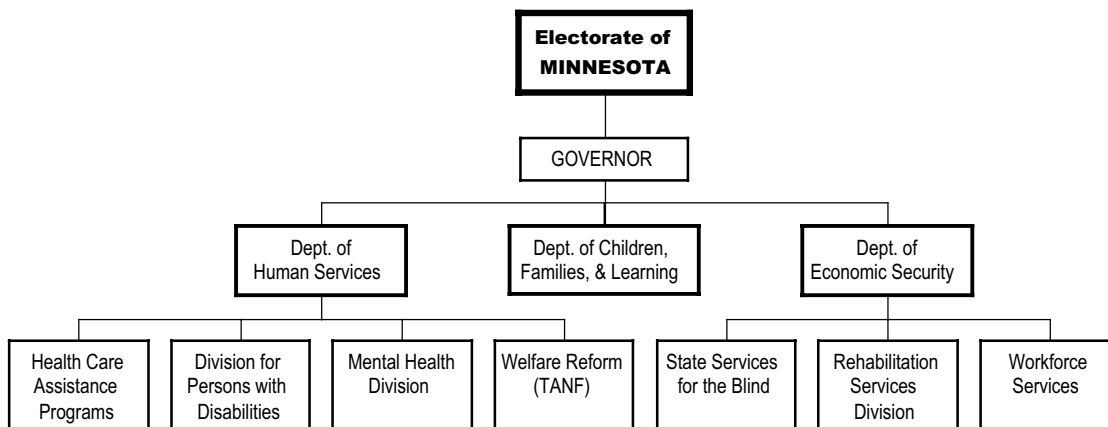
income and employment policies and for establishing links between job training and placement programs with a variety of other programs including: veterans’ programs, vocational and post-secondary training, federal income insurance programs, economic development programs, and rehabilitation services.

### Workforce Centers

Minnesota has 53 comprehensive or full-service One-Stop centers (also called workforce centers in which all the mandated partners offer services) and several satellite or affiliate centers. Minnesota’s 16 local workforce investment boards (LWIBs) oversee the day-to-day operations of the centers.

In addition to 53 full-service workforce centers, Minnesota has also established a network of affiliate sites. Affiliate sites are associated with the workforce centers and are designed to ensure greater access to services. Affiliates are electronically linked to the full-service centers but may only provide some of the services on site with one or more of the mandated partners. Affiliates may have some of the following characteristics that make them particularly easy to use including: a more accessible location, specific services for workers whose first language is not English, and location in a rural area that a full service center may not reach.

Minnesota Employment and Disability-related Agencies



## Case Study Findings

Based on the interviews conducted, the following themes emerged as important to Minnesota's process of change under the Workforce Investment Act:

1. Emphasis on co-location
2. Importance of communication
3. Strong leadership
4. Challenges with the change process and strategies to alleviate them
5. Vocational Rehabilitation as a critical partner
6. Agency cultural differences
7. The role of local control
8. Cost allocation strategies
9. The capacity to serve people with disabilities

### 1. Emphasis on co-location

Minnesota has placed a special emphasis on the physical sharing of space by partners. Staff from Job Service/Unemployment Insurance, local Job Training programs, State Services for the Blind, Veteran's Services, and Rehabilitation Services are co-located at workforce centers. In addition, other organizations may provide services at centers as well, including the Community Action Program, Department of Human Services programs, local community or economic development groups, schools and colleges, and local government offices. Respondents emphasized that:

- ◆ full, physical co-location was critical
- ◆ the benefits of co-location outweighed the disadvantages

#### *Physical co-location was critical*

*They aren't all fishing buddies, but they did appreciate what each other does once they were in the same location*

Having several agencies previously housed together has given Minnesota a jump-start on the creation of their physical structure for co-location. One of the things that Minnesota did differently than other states was focus most of its energies on physically co-locating, while other states used their resources for data systems or merging cultures. In hindsight, some individuals interviewed questioned this priority as they re-evaluated how resources were spent.

*Right now, we're wrestling with an operating system for the One-Stops and how to pay for that. Some of the states used their One-Stop money to build an electronic operating system, rather than the bricks and mortar, and connected electronically. The decision here was made by the leadership, that we would use that money to do the physical infra-structure and worry about the [data system] later... People-wise, it was probably better to get them in the same building, same offices, sharing a copier and a fax machine, so that they would work together.*

Minnesota's emphasis on full physical co-location had both advantages and drawbacks. Because the state mandated co-location the actual composition of One-Stops was uniform throughout the state, however there was initially some resistance. One state level administrator remembered the message, "...we are going to co-locate hell or high water and I think there was a lot of dragging of heels...and 'wait a minute, how's this going to affect our people' and... that caused some animosity in that whole process."

#### *The benefits of co-location outweighed the disadvantages*

*Our Commissioner always talks about it as a tapestry. You look at the front and everything looks like it's flowing but it's really like 10,000 strings behind it.*

Despite the challenges faced in the transition and movement of agencies together, staff from all the agencies interviewed reported benefits including the development of relationships across agency personnel, information sharing, and more comprehensive delivery of services to the job seeker.

The targeted focus that Minnesota has had on physical co-location wherever possible has worked to foster relationships through which information and expertise is shared. "Staff get to know each other...to trust each other, and they get to respect the individual skills and knowledge that the program people bring to the table."

*To have combined meetings, some with managers and some with staff gives the opportunity to hear from one another and share, and that will benefit the consumer. It leads to more (comprehensive) knowledge, so that you are giving the consumer all the information, not just (what's within the staff person's) area of expertise.*

## 2. The importance of communication

*It's three things: communication, communication, communication.*

Communication between partners at the state level was critical to the creation of the workforce centers. Interviewees reported that communication occurred primarily through:

- ◆ Weekly partner meetings
- ◆ Regional meetings, and
- ◆ Staff participation in planning committees

### *Weekly partner meetings*

*If it was an issue that stood between where we are and where we wanted to get to, if it needed some action, it came before this board...the implementation group on Monday mornings. It really holds the secret to success of the whole system.*

During the process of merging facilities and cultures, state level WIA partners in Minnesota held weekly meetings that were regarded as integral to the collaboration process. Each program in the department had representation, along with others who participated as needed. These meetings were created when partners realized that implementation and co-location were happening very quickly, and were resulting in gaps in information-sharing.

*When several of us realized that it was taking too much time to chase down the answers one-on-one, we decided (to) get everybody together every Monday morning until we've got the last One-Stops set up and operating.*

These weekly meetings provided an opportunity for participants to address global issues relating to overall WIA implementation, as well as logistical and specific issues such as leasing and shared supplies. At these meetings, people seemed to set aside their own program biases and worked toward a common goal. Turf protection, and resource management issues were of concern to the participants but as much as possible they suspended these concerns or discussed them thoughtfully. “We talked about the issue and how it impacted everyone...in a collaboration like this, what affects one partner is invariably going to have an impact on the others.” Agency representatives who were involved in the meetings admitted that the open atmosphere and enthusiasm among the partners was at times difficult to carry over to front-line staff that were

responsible for actually implementing the changes. Much work went into “managing boundaries” and making all levels of staff feel invested in the creation of the new system.

### *Regional meetings*

Communicating with every party involved in WIA implementation was a key part of the success of the collaborative effort. At multiple times throughout the process, area-wide meetings were held. “(We) brought in all the people and said you know we are planning to make some major changes here. Give us your input.” Early inclusion of multiple partners who were affected by the change was important in helping staff understand this new system and how it would affect their jobs and agencies. Partners held many regional meetings throughout the state, at several different stages in the development.

*Once the concept was developed, that concept was taken to all staff throughout the state. Everybody in management, from the Commissioner on down, went out and talked...explaining what the concept was and what we were going to do next.*

### *Staff participation in planning committees*

Minnesota created a committee structure that became an opportunity for staff to be involved and have “ownership” of particular issues. Many of the key outside partners such as the technical colleges and the human service agencies were integrated into a committee structure. This gave many more people the opportunity to communicate their perspectives and play a part in everything from assessments, to the physical space, to arranging resources.

Because participation in a committee was mandatory, collaboration among staff became compulsory as well and was now ingrained in their day-to-day activities.

*Talking and planning...this is what was expected of us to work in groups. It was just part of our jobs at that point. I think getting to know people, getting on committees that mean something to us...(It was a) way (for us to) contribute and make that work for our consumers.*

With this approach even in the midst of major change and upheaval, staff were able to control aspects of their work environment and system of operation.



### 3. Strong leadership

Strong leadership in Minnesota was a crucial component in the change process. Collaboration was that much more successful in Minnesota because of leadership who maintained:

- ◆ Continuity
- ◆ A strongly articulated vision
- ◆ A focus on the customer

#### *Continuity*

Many interviewees noted the frustration that occurs when one leader drives forth and makes progress towards certain goals, only to have this priority dropped when new leadership takes over an administration. In Minnesota, stability in leadership was achieved when the workforce commissioner took over the reigns and carried the momentum from the previous leader to continue, and eventually actualize, the vision of a comprehensive One-Stop System.

*Our last commissioner was here for 8 years, Jane Brown, and had really stuck to her guns on all of this stuff and said this is what it's going to be and this isn't just another flash in the pan and we are going to accomplish this. She had a real strong vision and then with the transfer to state administration, her deputy commissioner, Earl Wilson who is now the commissioner also truly believes in that whole One-Stop approach and workforce center system approach so he has been able to continue that.*

#### *A Strongly articulated vision*

The importance of sharing the vision of a comprehensive workforce system was communicated through all levels of the state from the governor down to front line staff. Governor Ventura's "Big Plan" included a workforce development framework that was inclusive of all workers in the state. Once the overall structure was in place, Governor Ventura put actions behind the mission statements and met consistently with the Commissioners of each department to maintain involvement and monitor, advise, and communicate the message of an inclusive workforce. The Commissioners then took this strong message and vision and carried it into their departments:

*Jane Brown was a very strong leader, and that was helpful. There was never any doubt in anyone's mind about what was expected. Her vision remained consistent.*

Although the consistency and vision were crucial factors to Minnesota's success, the strength of the message was sometimes challenging to direct level staff.

*The greatest challenge was bringing on reluctant partners. They may do some things because they are forced to, but you really need people coming together with a common vision, and deciding that they are going to work together to meet the common need of the customer.*

#### *A Focus on the customer*

The leadership steadfastly reinforced the notion that the change process would ultimately benefit the customer. This helped staff continually refocus their energies when the difficulties of collaboration emerged.

*Quite frankly many of (the key players) were brought kicking and dragging to the table. The commissioner always said that they were all partners in this... When people started to argue about the details, the commissioner would continually say to put the customer in the center of the table. Make your decisions based on what is best for the customer. That seemed to help people move out of the locked in mindset, and the 'this won't work' kind of thinking.*

### 4. Challenges with the change process and strategies utilized

#### *Challenges with the change process*

The initiative to integrate services was met with initial resistance from staff in the VR division. Interviewees reported there had been a history of trying to "absorb" VR into other programs, which contributed to some initial resistance. The primary concern seemed to be whether individuals with disabilities would be better served in this integrated environment as opposed to an independent environment.

*People in the disability community feel strongly that if all of the labor and rehab money were put into a pot and given to a state, people with disabilities would lose out. We feel that there wouldn't be the same relative availability of resources and focus on disability services as there is with categorical funding. So, there was a lot of protectionism, fear, and anxiety around our resources being tapped and generalized to the universal customer.*

Disability advocates continued to be concerned that money and time spent toward integrated center

implementation and management detracted from service delivery.

Other factors that contributed to VR's initial resistance were concerns around:

- ◆ Private office space
- ◆ Shared data systems

**Private Office Space.** The issue of who needed private office space was a contentious one. Staff at VR requested private offices in which to see their clients (as had been their previous agency norm) but other agencies perceived this request as elitist. There was discussion around all staff having open offices with private counseling space available when needed. A compromise was needed in order for the agencies to collaborate successfully.

*As they were designing the space we (VR) came to the table and said that we need private offices... because we are talking to people about confidential issues. There was animosity among some of the other program people that they were important too and that they talk to people about important things. This had a negative impact on relationships in some areas.*

The option of cubicles for all staff but with the availability of private offices for confidential counseling or phone calls was considered, but the regional RSA commissioner required that there be private offices on demand. This meant almost doubling the office size. Ultimately the decision was made to give VR counselors private offices.

**Shared data systems.** Minnesota has explored several options for designing a new data system to meet the needs of the partners. The Minnesota Department of Economic Security (MDES) has been collaborating with federal DOL staff and several other states to develop a system that can be individualized to meet the needs of each state. Minnesota's One-Stop Operating System is intended to meet the informational needs of multiple programs and partners.

Minnesota is currently designing the MNOSOS (Minnesota's One-Stop Operating System) linking the WIA Title I system, Job Services, Welfare-to-work programs, Rehabilitation Services and State Services for the Blind. For example, this system will allow for documentation of case management services, training provider

and ITA information, and will be used to track the cost of service delivery among partners. Geographic Solutions, Inc. has designed and implemented WIA Title I/Job Service and Welfare-to-Work One-Stop Operating Systems. The first phase of implementation of the MNOSOS system was scheduled to begin in June of 2002. Staff from VR and State Service for the Blind felt that the data system ultimately selected focused primarily on the needs of the labor programs and that because the divisions that served individuals with disabilities were smaller, the needs of their staff were viewed as less critical.

*My personal opinion is that we (VR and SSB) have been viewed as a little different. There has been a commitment on the part of headquarters to have us be equal partners, but in practice it doesn't always translate into equal... We believe our needs in this environment are different than the Title I partner and the Title III partner... We want to be sure that the One-Stop Operating System accommodates our unique needs.*

#### **Strategies utilized**

Looking back on their experience, staff in Minnesota were able to identify strategies that worked to alleviate the initial fears and resistance and eased the migration of VR into the One-Stop system. These were:

- ◆ Use of the VR Council
- ◆ Attention to language and message

**Use of the VR Council.** Minnesota's Rehabilitation Council had a long history of advocating for the needs of its customers and facilitating communication among staff. It was successful in its attempts to alleviate the distrust and misgivings that staff may have initially had regarding the other partnering agencies.

*I think that the rank and file VR employees... saw the council as being an advocate for them and so we became more a partner in this deal and kind of diffused a lot of the hard feelings. Our regional commissioner spent several visits here talking with the council and talking with our VR people... being very explicit about how money could be used and reporting that back to the council so there was a pretty active partnership that kind of smoothed things out in making it work.*

**Attention to Language and Message.** Collaborators in the process realized that specific words often generated negative connotations. For example, partnering agencies were resistant and anxious about the change

since they viewed an “integrated system” as resulting in the elimination of jobs. Through attention to language, the collaborative process was clarified and ultimately strengthened.

*We started out using the wrong word. We used ‘integration’ which was scary to people. We substituted cooperation, and collaboration. We had to get into people’s minds that this system would depend specifically on the expertise of the specialists that we have in the field.*

Managers also realized when they referred to training of staff as “cross training,” the perception of staff was that they were going to need to be able to perform the jobs in the other agencies. This concern quickly raised questions about professional identity and job security. Administrators addressed this perception by telling staff they had no intention of having “the butcher fill in for the pharmacist when things get backed up.” Paying attention to terminology, therefore, enabled staff to have a better sense and understanding of both their roles and each other’s roles.

## 5. Vocational Rehabilitation as a critical partner

Partner agencies felt that VR staff brought unique characteristics to the collaboration process. These included:

- ◆ A team approach
- ◆ Relationships with local entities
- ◆ Expertise in working with people with disabilities
- ◆ Specific resources to assist the TANF agency

### *Team approach*

VR had a long-standing history of working in a team-based environment. This brought an organizational structure to the centers that proved useful.

*The team approach that they had been accustomed to working in for a long time really made them the more organized of the partners. So when they got into these workforce centers the VR folks were actually, in almost all cases, the lead agency or if not the lead, a very critical partner.*

### *Relationship with local entities*

Through their established ties with local authorities, specifically school districts, VR helped other agencies

establish linkages and became a helpful resource in many ways.

*One of the biggest break-throughs was a recognition that, in ‘school to work’... (VR has) a really good, effective relationship with the local school districts and individual schools... We were able to lend our expertise and our inroads to the other partners to establish networks and partnerships that dealt with youth and transition issues and services to the school districts.*

### *Expertise in working with people with disabilities*

VR staff and other disability professionals also became viewed as consultants, answering questions about disabilities and appropriate resources. Training by VR staff was viewed as a very important component of WIA implementation. Without training, it was difficult for staff to truly collaborate and assist those who were traditionally construed as “somebody else’s clients.”

### *Specific resources to assist the TANF agency*

VR also established themselves as a resource to TANF agencies for difficult to serve customers who had disabilities. In some instances, people who were TANF-eligible were not receiving services because they were exempt from the work requirements and therefore not seen as priorities for caseworkers who were more concerned with clients facing time limits and benefit termination. As TANF staff became more familiar and comfortable with the VR system they made more referrals that resulted in customers getting better services and new opportunities for employment.

## 6. Agency cultural differences

The ramifications of combining cultures are of great importance during the co-location process. Some expressed concern that the impact of the cultural change was not fully considered prior to co-location.

*(The Commissioner) put a lot of energy into the state to physically co-locate, and then...started thinking about what needed to happen to merge cultures... Other states put more attention to looking at cultures before they co-locate.*

Throughout this process in Minnesota, agencies experienced varying levels of tensions initially during co-location. In some cases, cultures conflicted, in other cases they more easily meshed, and in still other



cases, agencies co-existed with little interaction at all. Although the clash of cultures was at times problematic, cultures that co-existed and maintained their own insular structure sometimes inhibited collaboration between agencies.

The nature of people's work loads and patterns to their day differed by agency. Workforce staff were typically in the office and saw many customers over the course of the day. On the other hand, VR staff saw fewer customers but were often involved in meetings outside of the office and were providing more intensive services. With everyone located in the same physical space, these differences were clearer and occasionally raised concerns.

*There was a lot of concern about our customers being integrated into the Workforce centers... There is a difference between a customized shop, and a production shop. Historically, ours (VR) has been a custom shop, and the Workforce center is a production shop—very high traffic, and high volume. There was concern about how our customers would fare in this production-oriented environment.*

## 7. The role of local control

*There is no better authority on what it takes to meet the needs of the consumers than the local authority.*

Local control is at the crux of the WIA mandate and Minnesota has done much to ensure that local areas had flexibility and autonomy to address the needs of their customers. Although there was some uniformity among workforce centers as a result of general state guidelines, what was critical to the components of Minnesota's success was that:

- ◆ Locals used state guidelines flexibly
- ◆ Uniqueness and variation at the local level was acknowledged
- ◆ Affiliate sites were created
- ◆ Creative problem solving was utilized, and
- ◆ Local Workforce Investment Boards (LWIBs) were developed based on previously existing Private Industry Councils (PICs)

### *Locals used state guidelines flexibly*

State agencies in Minnesota had an active role in developing the WIA framework, while leaving ample

room for local communities and workforce centers to actually carry out the plans, and incorporate their own input. This ensured consistency and some degree of uniformity among the centers, but also allowed them to utilize the endemic resources of their communities.

*(Each local center) has a unique flavor to it... Some of the centers are in county human service buildings, tied closely with the TANF... (In some areas) it made more sense to tie the... centers in with local technical colleges. Some are store-front operations. It depends on the community.*

Because Minnesota is a county-driven system, where some programs are state supervised and county administered, the system for WIA implementation fit into the established roles of state and local government. One tension that stemmed from this county-driven system was that the local authorities are not state workers and therefore the state ultimately did not have control over their actions. "We can't issue a mandate that says you will cooperate with DRS. We can issue a letter to DRS saying that you will do the best you can to cooperate with the county but it's all one sided." This challenge had to be worked out individually among state entities and communities.

### *Uniqueness and variation at the local level was acknowledged*

One example of how local communities were able to influence implementation was in the decision of where to place workforce centers. In some instances, communities felt that they were in particular need of a workforce center and lobbied DES and the legislature to have it established locally. Another example of local control was in the management structure of the workforce centers. The co-located programs each have local managers. Some programs have one manager per site while others have one manager for multiple sites. This was a decision that was worked out locally based on the needs and size of the local areas and workforce centers.

### *Affiliate sites were created*

Minnesota made use of affiliate sites that allowed them to expand their workforce system into areas and populations that would not otherwise be reached. These sites offered only some of the services of the

mandated partners but were electronically connected to the full service centers. Through the use of existing resources, Minnesota set up affiliate sites in facilities that were endemic to specific communities. "...In Minneapolis, there are strong neighborhood centers where customers will go because they feel more comfortable...(like) the American Indian Center..." This strategy extended access to people who would not otherwise benefit from services.

#### *Creative problem solving was utilized*

The flexibility and autonomy to work out issues at the local level allowed many communities to creatively solve access issues related to their workforce centers.

*We were having a hard time finding a good location that had good public access for transportation... We found a location that was very close to the bus route, but not close enough, so we asked them to reroute it and they did. Instead of going on one side of the mall, we now have (the bus route) on the other side.*

This solution to accommodate job seekers was clearly a low-technology and cost effective way of overcoming the barrier that transportation issues usually pose.

#### *(LWIBs) were developed based on previously existing Private Industry Councils PICs*

Under the federal WIA mandate, all states needed to establish local workforce investment boards (LWIBs) to oversee the operations of the local workforce centers. In Minnesota, these LWIBs were formed from previously existing groups, known as private industry councils (PICs). The use of PICs effectively fostered collaboration between partners because individuals had already worked together. The internal creation of the boards facilitated their general day-to-day operations. Although using these already established groups had many benefits, some of the earlier mandates of the PICs were inadvertently carried over into the mission and practice of the new boards.

*(The LWIBs) need to take... a much broader workforce development (view) and where the predecessors, the local private industry council were really focused on the JTPA activities... the local councils now really have to look at their whole geographic region and say what is the picture of our region in terms of workforce development issues.*

*What resources do we have available collectively and how can we make the best use of all of those resources. That's a big evolution and something that is looking better in some area than others.*

## 8. Cost allocation strategies

Similar to the way in which Minnesota delivers Title I services under WIA (state supervised and county driven) the cost allocation guidelines were developed at the state level and issued to the 16 local workforce areas, but allowed flexibility for local interpretation. Local boards were given options from which to choose, but each optional approach still allowed room for negotiations at the local level. Minnesota tried to instill in their staff that decisions around cost allocation could continually be negotiated and remained flexible.

*We've tried to foster (this idea) by saying, 'nothing that happens out there is going to get you in trouble. Any decision we make fiscally or in cost allocation is reversible.' We have erasers on our pencils and (can make new) entries...into the accounting system.*

More specifically, these cost allocation guidelines addressed such strategies as:

- ◆ Cost allocation by staff
- ◆ Staffing on an itinerant basis
- ◆ Cost allocation by type of space
- ◆ Strategies for shared expenditures

#### *Cost allocation by staff*

One strategy for allocation of costs was determined by number of staff on site.

*If there are 20 staff there, and each program has 5 staff, then you allocate 25 percent for the space. If you have one partner who has 50 staff, one partner who has 10, and one partner who has 14, take the number of staff and divide it by the square footage.*

#### *Staffing on an itinerant basis*

In some locations when personnel constraints made it impossible to fully co-locate, staff were physically on site on an itinerant basis. The amount of time staff were required at a site was based on customer demand. In this case, itinerant office space was cost allocated to the partners using it. Costs could be determined by hours used per week, or more informally negotiated.

### *Cost allocation by type of space*

Another approach Minnesota used was to divide space into categories: dedicated space, common space, and shared space. Dedicated space was used and paid for exclusively by one program. Space like the conference room or the reception area was common space, used by all partners. Calculation for common space was based on either the amount of time (in number of days) a program used the space, or the bill was simply divided among partners. Shared space was different than common space because it was used by many partners but not all. An example of shared space was a training room that VR does not use, but was widely used by others, such as Title I and Title III programs.

### *Strategies for shared expenditures*

In addition, Minnesota had a range of strategies for dealing with shared expenditures such as:

- ◆ Rent
- ◆ Resource rooms
- ◆ Reception, and
- ◆ Supplies

**Rent.** The largest shared expenditure among partners was rent. This was cost allocated by the amount of square footage occupied by staff from particular agencies. However, rent costs were a very small expenditure overall in the budget of individual agencies. Staff felt it was important to help people to understand about some of these costs.

*Eighty percent of our costs of operating are salaries and 20% are other than salaries. Of that 20%, half of it is rent. You're down to 10% that you're starting to argue about. Once you take the telephone costs out...you're really arguing about nickels and dimes. We got people to see that.*

**Resource rooms.** The use of resource rooms was not a part of the traditional model for service delivery for VR and SSB. RSA mandated that these agencies could not contribute to the costs of resource rooms because it was perceived as a universal service for the general public. Initially, the decision was made that Title IV (VR) partners would not participate in resource room shared costs or staffing. As the partners began to work more collaboratively, VR and SSB began contributing to the costs of square footage but did not staff or equip the resource rooms. Primarily,

the costs of these rooms are shared by Title I and Title III programs.

*People used a condominium theory, meaning that in a condominium there is a pool, and whether or not you use the pool, your fees pay for that. This argument was used both for the resource rooms and the receptionist. By being in the Workforce center, there are going to be features that are part of the larger enterprise that may not be part of your individual program. But if you are going to be part of the larger enterprise, you should share in the costs.*

**Reception.** Minnesota devised several innovative methods of dealing with the shared costs of the reception area and these strategies varied by local centers. In most cases, the receptionist duty was shared among the partners. “In some locations, the partner has stepped up and said that it makes more sense for my staff to be the receptionist — why don’t you help pay her salary?” In situations like this, the salary of the receptionist was shared. Again, the culture and position of VR varied among the partners.

*The position of VR was that we're a low volume operation, and thinking about receptionist functions in terms of time spent on each partner...greeting customers and directing people, is going to be significantly less on Title IV, than it is going to be on Title I, Title II, and Title III.*

However, ultimately it was agreed that reception should be a universally shared cost. When salary of the receptionist was shared (as opposed to partners taking turns staffing the front desk), this was not part of the cost allocation plan. This fell within the domain of how the particular office was operating. “Those have been a local handshake.”

**Supplies.** For the major costs associated with co-locating (data lines, photocopiers, fax machines), there was a cost allocation plan. For other shared costs such as more ancillary supplies, it was determined individually by workforce center. Initially the state was hopeful that cost allocation of smaller expenditures could be bartered, such as, “I’ll pay the copier, and you pay for the fax and postage machine rental.” This turned out to be an ineffective strategy because partners became concerned about whether costs were being fairly shared.

*The hardest thing is to try to make these people understand that a \$3 box of ink pens is not what's going to make or break the partnership; it's how the clients get served, and it's how they work together.*

The state provided examples of strategies to deal with this cost, such as dividing the cost among the number of staff. In one instance, a workforce center had staff from partnering agencies log the amount of copies they made per day. This strategy was very labor intensive for what appeared to be negligible costs. “You’re talking about a \$400 a month expense for a \$40,000 a month operation, and you’ve got to make it work out better than that.” Although some staff were still concerned with these types of costs and remained vigilant about these smaller expenditures, the cost allocation system in place seemed effective to individuals interviewed.

## 9. The capacity to serve people with disabilities

*The paradox is that all services are available to people with disabilities. So to be integrated into that system would be a good thing. The other side of that coin though is that history shows that without special attention those folks get left behind.*

There was considerable variation in the expectations around the role that workforce centers can play in helping people with disabilities find jobs. Some believed that people with disabilities need the same types of supports as those without disabilities (albeit at times administered differently).

*In the past somebody who is blind might have automatically referred that person to SSB. Now, we are trying to get people to realize that this person is not asking for special services. They are asking for the same service, but ...in a different way.*

Some countered this view and believed that the services available at workforce centers would never adequately support many with disabilities in finding jobs.

*There are specialized services that a lot of our customers require because of discrimination by the employers and their attitudes about blindness. With those customers, we tend to spend more time with the employer... Those services aren't available at the workforce center.*

More specifically, Minnesota’s capacity to serve people with disabilities hinged upon three critical components. These were:

- ◆ Accessibility
- ◆ The existence of an ADA coordinator
- ◆ The involvement of people with disabilities in the planning and oversight process

### *Accessibility*

Both physical and technological accessibility were pressing issues for workforce centers. They also wanted to ensure that creating a welcoming environment went beyond making the space physically accessible. Minnesota has diligently worked on the “bricks and mortar” accessibility issues, and has refocused its efforts on more technological issues.

*We need technical access...It's that next step; I think the blueprints are there and we've built a good foundation already. We just need to put in the walls and bring in the furniture.*

Minnesota developed several strategies to foster accessibility within the workforce centers. The Department of Economic Security had an Americans with Disabilities Act (ADA) team which was available to workforce center staff to evaluate services and assist with accommodations. Originally the focus was on ADA compliance, but has since changed to information sharing and designing plans for the future. In the next year, Minnesota’s Department of Labor will develop an Access Team that will include both WIA partners and individuals with disabilities who use the system. The ADA team has developed an assessment instrument for Workforce Centers.

Minnesota’s State Services for the Blind was instrumental in adequately equipping workforce centers to support people with disabilities. SSB provided a “starter kit” for each workforce center to support access of persons who are blind. The centers were also required to complete a two-hour training to help them assist customers who are blind.

### *ADA coordinators*

Minnesota was unique in that it created the position of ADA coordinator for each workforce partner agency. This position was indicative of the importance placed



on serving individuals with disabilities in a technologically and physically accessible environment. The role of the ADA coordinator varied slightly based on the needs and issues that arose. Job responsibilities spanned the gamut and included aiding in identification and referral for people with disabilities, training, investigations, ensuring reasonable accommodation, competence in assistive technology, program development, and training and coordination of disability supports. A large component of the position and its responsibilities was ADA monitoring and workforce center and community partners compliance.

#### *Involvement of individuals with disabilities*

In order to ensure that people with disabilities were involved in the planning process during initial implementation and development of the workforce centers, Minnesota created the Workforce Center Task Force. This work team included input from individuals with disabilities. In addition, the advisory councils from the State Services for the Blind (SSB) and VR worked closely with the Governor's Workforce Development Council. Members of the councils had various disabilities and brought up specific issues of concern such as assistive technology, and accessible transportation.

In addition, the Governor's Workforce Development Council created a committee on self-sufficiency. The focus of this group was to look at the needs of individuals who experience multiple barriers to employment, including people with disabilities. This committee helped to identify some key issues that enabled Minnesota's workforce program to better meet their diverse needs.

At the local level, people with disabilities were not active primary participants on local workforce investment boards (LWIBs). They did, however, play a role in deciding the location of some workforce centers. In one instance, self-advocates became involved by "testing" the location of centers, making their way to the sites, and determining their accessibility through public transportation.

## Conclusion

Minnesota's positive outcomes were not accomplished without their fair share of challenges. Collaboration is hard work! Innovative strategies had to be developed, tested, and adapted in order to alleviate fear and resistance, manage cultural differences, ease the process of co-locating, fairly handle fiscal concerns, and effectively support job seekers with disabilities. Through the power of communication, strong leadership, and local control, Minnesota has achieved success yet continues to strive for even more integrated supports for customers with disabilities.

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