MINNESOTA
GOVERNOR'S WORKFORCE
DEVELOPMENT BOARD

# Governor's Workforce Development Board (GWDB) Legislative Report

As required by Minnesota Statute Section 116L.665, Subd. 4

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This report is a collaborative publication of the Governor's Workforce Development Board (GWDB), its Executive Committee, and the Minnesota Department of Employment and Economic Development (DEED), prepared pursuant to Minnesota Statutes, section 116L..665, subdivision 4.

The report presents the GWDB's recommendations to strengthen Minnesota's workforce development system, including workforce center performance, funding, program improvements, and statewide workforce priorities. It also identifies work underway that will inform future recommendations to the Legislature.

As required by Minnesota Statute 3.197: This report cost approximately $XXX.XX to prepare, including staff time, printing, and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, braille, or audio recording. Printed on recycled paper.

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# Letter from the Chairs

**Dear Governor Walz, Governor-Elect Klobuchar, and Members of the Minnesota State Legislature:**

Minnesota's labor market and workforce development system are entering a period of profound transition. Rapid advances in artificial intelligence and other technologies are reshaping jobs and skill requirements. Demographic changes are placing new pressures on our labor supply, while employers across industries and regions continue to face challenges finding and developing the talent they need. At the same time, workers must navigate an increasingly complex economy in which the skills, opportunities, and pathways to good jobs are changing faster than ever.

These forces are not operating independently, and they will not wait for our systems to catch up. Minnesota's ability to remain economically competitive will increasingly depend on how quickly and effectively our workforce development system can anticipate change, align resources, and respond to emerging needs.

This moment underscores the importance of the Governor's Workforce Development Board.

The challenges ahead cannot be solved by any single agency, employer, educational institution, or workforce program. They demand coordination across sectors, a shared understanding of labor market needs, and a statewide strategy that connects policy decisions with the realities facing workers, employers, and communities.

The GWDB is uniquely positioned to provide that leadership. By bringing together business, labor, education, government, and community partners, the GWDB helps Minnesota look beyond individual programs and institutional boundaries to identify statewide priorities, align investments, strengthen accountability, and build consensus around the changes our workforce system needs. Just as importantly, the GWDB provides a forum for anticipating emerging challenges before they become entrenched problems.

This legislative report reflects that responsibility in action. It highlights the GWDB’s work to establish statewide workforce goals, advance sector partnerships and high-quality jobs, strengthen work-based learning and apprenticeship pathways, and improve how Minnesota identifies and responds to changing labor market needs. It also advances work to strengthen workforce system performance, improve the quality and availability of labor market information, identify overlooked workers, and better align workforce development policies and investments.

Together, these efforts all align to our statewide workforce goal, that Minnesota will lead the nation in building an equitable, future-ready workforce where everyone has the opportunity to succeed, and every employer has the talent to grow.

The work is far from finished. Many of the most consequential challenges facing Minnesota will require sustained attention, stronger partnerships, and continued collaboration with the legislature. The recommendations and emerging priorities in this report represent both meaningful progress and a foundation for the decisions ahead.

Ultimately, Minnesota's workforce future will not be determined by the strength of any one program or institution, but by our collective ability to move with purpose, adapt to changing conditions, and connect more Minnesotans to economic opportunity.

On behalf of the Governor's Workforce Development Board, thank you for your continued partnership and commitment to Minnesota's workers, employers, and communities.

*Sincerely,*

**Surya Iyer, Chair**

**DeLinda Washington, Vice Chair**

**Minnesota Governor’s Workforce Development Board**

## Executive Summary

Minnesota's workforce development system is navigating labor shortages, rapid technological change, evolving employer needs, and persistent disparities in access to employment and advancement. This report presents the Governor's Workforce Development Board's recommendations, adopted frameworks, and work in progress to strengthen statewide coordination, improve accountability, and connect more Minnesotans with high-quality employment while helping employers meet critical talent needs.

The report is organized around the GWDB's statewide workforce goal of building an equitable, future-ready workforce where every person has the opportunity to succeed and every employer has the talent to grow. The strategy centers around a target of adding an average of 10,000 people to Minnesota's labor force each year, with emphasis on the Drive for 5 sectors. Five strategic pillars provide the organizing framework: Equity and Access; Sector Partnerships; Work-Based Learning and Registered Apprenticeships; High-Quality Jobs; and Simplified, Integrated, No-Wrong-Door Services. Within that framework, the report distinguishes recommendations ready for legislative or executive action from frameworks already approved by the GWDB and proposals that require additional analysis, partner engagement, data development, or implementation planning.

**The GWDB recommends that the Governor and Legislature consider the following actions and priorities:**

- **Statewide strategy and funding alignment.** Using the statewide workforce goal, annual labor-force target, and five strategic pillars to inform workforce policy, appropriations, program design, and cross-agency investment decisions.
- **CareerForce performance and support.** Recognizing the adopted purpose statement, six North Star priorities, and nine performance definitions as the foundation for statewide CareerForce standards; supporting phased development of feasible metrics and baselines; and considering the resources workforce centers will need to implement and sustain the framework.
- **Labor market information updates.** Making the Occupational Employment and Wage Statistics survey to report occupation and wage data mandatory, without a penalty or fee, and providing an ongoing annual appropriation of $200,000 from the Workforce Development Fund to sustain Minnesota's Job Vacancy Survey.
- **Equity and overlooked workers.** Using the initial Overlooked Workers Baseline Framework recommendation while the GWBD continues refinement, including improving disaggregated and regional data, addressing priority data gaps, defining advancement into higher-wage occupations, and strategies to improve recruitment, retention, and career growth for workers facing persistent barriers.
- **Work-based learning and registered apprenticeship.** Supporting development of a statewide work-based learning framework and credible participation baseline before setting an expansion target and using statewide standards and implementation evidence to inform potential multi-employer registered apprenticeship models, including in caring professions.
- **In-demand industries and occupations.** Using the GWDB's Minnesota-specific industry-cluster and occupations lists, informed by regional and employer input, to guide training investments, Workforce Pell eligibility, sector partnerships, career pathways, and state and local workforce planning.

- **Sector partnerships.** Continued implementation of the statewide Sector Partnerships Strategy through common measures, statewide mapping and a dashboard, technical assistance, and sustained funding and capacity for employer-led regional partnerships.
- **Workforce Pell informational update.** The report includes the GWDB-approved Minnesota Workforce Pell Program Determination Policy and related implementation work.
- **High-quality jobs.** Supporting implementation of the adopted High-Quality Jobs Framework and metrics through employer and workforce-partner pilots, technical assistance, and tools, and using the results to assess potential statewide recognition and dashboard approaches.
- **Caring professions.** Advancing a data-sharing agreement between the Minnesota Department of Health and the Office of Higher Education, establishing an annual Celebrate Caring Careers Month, and aligning and expanding statewide communications through CaringCareersStartHere.com.
- **Educator workforce.** Consideration of seven strategies spanning public awareness and recruitment, reduced financial barriers and paid pathways, mentorship and retention supports, career advancement, compensation and economic sustainability, early-childhood workforce development, and re-entry pathways for licensed educators who have left the profession.
- **Governance and coordination.** The GWDB recommends maintaining structured alignment among the GWDB, its committees, the Interagency Workforce Alignment Task Force, so that executive implementation, legislative reform, local experience, and cross-sector stakeholder input can inform one another.

Taken together, these recommendations and frameworks provide a roadmap for better aligning workforce, education, and economic development investments, improving system performance and accountability, and expanding pathways to high-quality jobs. Some items are ready for near-term legislative or executive action, while others establish an analytical and implementation foundation for future recommendations. The GWDB stands ready to work with the Legislature, the administration, local workforce leaders, employers, labor, education, community partners, and state agencies to sequence this work, identify necessary resources, and measure progress toward Minnesota’s shared workforce goals.

## About the Governor's Workforce Development Board

The GWDB is Minnesota's federally required state workforce development board, established under the Workforce Innovation and Opportunity Act (WIOA) and Minnesota Statutes, section 116L.665.

The GWDB serves as Minnesota's statewide workforce strategy and advisory body, bringing together leaders from business, labor, education, government, local workforce boards, and community organizations to strengthen the state's workforce development system.

The GWDB guides the development of Minnesota's four-year WIOA Combined State Plan and its required modifications, establishes statewide workforce priorities, and advises the Governor and Legislature on policies and investments to improve workforce outcomes.

Through its committees and workgroups, the GWDB identifies workforce challenges, develops recommendations, and promotes greater alignment across the agencies, programs, and partners that make up Minnesota's workforce development system.

More information is available at mn.gov/deed/gwdb.

### *Governance*

GWDB members are appointed by the Governor and represent employers, labor organizations, education institutions, community organizations, local governments, state agencies, and other workforce system partners. A majority of voting members represent Minnesota businesses, as required by WIOA.

The GWDB is led by a Governor-appointed Chair and supported by an Executive Committee, standing committees, and workgroups. These groups help establish priorities, develop policy recommendations, and bring forward proposals for consideration by the full GWDB.

In 2026, the GWDB's standing committees on Innovative Service Delivery, State & Local Coordination, and Sector Partnerships advanced work on workforce system performance, labor market information, work-based learning, overlooked workers, industry priorities, and high-quality jobs.

The GWDB works closely with DEED, other state agencies, local workforce development boards, employers, and community partners. Its primary role is to establish statewide strategy, provide recommendations, and support coordination across the workforce system, rather than directly administer workforce programs.

### *GWDB Executive Committee*

The GWDB Executive Committee is authorized to act on behalf of the full GWDB membership between regular meetings, making emergency or time-sensitive decisions, monitoring committee and staff work, developing agenda items, addressing legislative matters, and advancing policy recommendations for consideration by the full membership.

1. Surya Iyer, GWDB Chair, President and COO, Polar Semiconductor
2. DeLinda Washington, GWDB Vice Chair, Senior Vice President and Chief People Officer, HealthPartners
3. Matt Varilek, Commissioner, Department of Employment and Economic Development (DEED)
4. Bernie Burnham, President, Minnesota AFL-CIO
5. Cate Duin, Executive Director, Minnesota Association of Workforce Boards (MAWB)
6. Angela Mansfield, Assistant Commissioner, Minnesota Department of Education (designee for Commissioner Jett)
7. Robert Stark, Financial Advisor, Edward Jones Investment
8. Matt Lewis, Vice President, Partnership Strategy, GREATER MSP Partnership
9. Scott Cummings, Minnesota Market Lead, Accenture
10. Shannon Bryant, Executive Director, Workforce and Economic Development, Minnesota State Colleges and Universities (designee for Chancellor Olson)

### *Full GWDB Member Roster*

*Voting Members (46)*

*Table 1 Board Members with Voting Roles*

| Board Member & Role | Board Member & Role | Board Member & Role |
|---|---|---|
| Business Rep. 1: Robert Stark, Financial Advisor, Edward Jones Investment | Business Rep. 2: Jennifer Thiesen, Chief People Officer, Stoneridge Software | Business Rep. 3: Melissa McLean, Senior Director of Partnerships and Workforce Strategy, St. Paul Area Chamber |
| Business Rep. 4: Matt Lewis, Vice President, Partnership Strategy, GREATER MSP Partnership | Business Rep. 5: GWDB Chair Surya Iyer, President and COO, Polar Semiconductor | Business Rep. 6: Vacancy |
| Business Rep. 7: Nicole Mattson, Vice President of Strategic Initiatives, Care Providers of Minnesota | Business Rep. 8: Deb Broberg, Executive Director, RealTime Talent | Business Rep. 9: Brian Zirbes, Executive Director, MARRCH |
| Business Rep. 10: Troy Haugen, Director of Career & College Readiness, Lakes Country Service Cooperative | Business Rep. 11: Gabriel Mooney, Administration, Central Boiler | Business Rep. 12: Crystle Illa, Director of Talent Acquisition, Children's Minnesota |
| Business Rep. 13: Vacancy | Business Rep. 14: Naveen Aggarwal, Founder and Owner, Kiddie School of Maple Grove | Business Rep. 15: Carol Anderson, Executive Director, Community Development of Morrison County |
| Business Rep. 16: Scott Cummings, Minnesota Market Lead, Accenture | Business Rep. 17: Jeffrey Rainey, Economic Development Director, Dakota Electric Association | Business Rep. 18: Lance Louis, Chief Executive Officer, Louis Industries |
| Business Rep. 19: Katie Lundmark, Vice President of Operations, Senior Living, Lifespark | Business Rep. 20: Deborah Gleason, Owner, The Information Tamer | Business Rep. 21: Gail Cruikshank, Talent and Engagement Director, Greater St. Cloud |
| Business Rep. 22: GWDB Vice Chair DeLinda Washington, Senior Vice President and Chief People Officer, HealthPartners | Business Rep. 23: Steven Kalina, President & CEO, Minnesota Precision Manufacturing Association | Business Rep. 24: Erik Johnson, Vice President, Operations, K. Johnson Construction |
| Labor Org. Rep. 1: Hannah Alstead, Political and Labor Director, Teamsters Joint Local 32 | Labor Org. Rep. 2: Barry Davies, Ironworkers Local #512, Minnesota Building & Construction Trades Council | Labor Org. Rep. 3: Sam Heimlich, Business Representative, Carpenters Local 322 |

| Board Member & Role | Board Member & Role | Board Member & Role |
|---|---|---|
| Labor Org. Rep. 4: Travis Thibodeau, Chief of Staff, Minnesota Nurses Association | Labor Org. Rep. 5: Jeremy Andrist, Business Manager, Local #6 Plumbers and Pipefitters | Labor Org. Rep. 6: Bernie Burnham, President, Minnesota AFL-CIO |
| Career and Technical Education Representative: Michael Berndt, President, Inver Hills Community College and Dakota County Technical College | Chancellor, Minnesota State Colleges and Universities: Scott Olson; Designee Shannon Bryant, Executive Director, Workforce and Economic Development | Local Private Secondary and Post-Secondary Education: Brian Bruess, President, College of Saint Benedict and Saint John's University |
| President, University of Minnesota: Rebecca Cunningham | Commissioner, MN Department of Education: Willie Jett II | Commissioner, MN Dept of Children, Youth, and Families: Tikki Brown |
| Commissioner, MN Dept of Employment and Economic Development: Matt Varilek | Local Elected Official (County): Irene Fernando, Commissioner and Board Chair, Hennepin County | Local Elected Official (City): Vacancy |
| Community-Based Org. Rep. 1: Sandy Pulles, Chief Impact Officer, ServeMinnesota | Community-Based Org. Rep. 2: Vacancy | Minnesota Association of Workforce Boards Director: Cate Duin, Executive Director |
| Legislator, Subcommittee on Committees of the House of Representatives: Pete Johnson, State Representative, House of Representatives | Subcommittee on Committees of the House of Representatives: Bernie Perryman | State Elected (Senate Majority Representative) (Ex-Officio): John Hoffman |
| State Elected (Senate Minority Representative) (Ex-Officio): Carla Nelson | | |

*Non-Voting (14)*

*Table 2 Board Members with Voting Roles*

| Non-Voting Board Member & Role | Non-Voting Board Member & Role | Non-Voting Board Member & Role |
|---|---|---|
| Commissioner, MN Dept of Human Services: Mor Vue (Designee), Interim Assistant Commissioner of Aging and Disability Services | Commissioner, MN Management & Budget: Erin Campbell | Community-Based Org. Rep. 3: Mary Niedermeyer, CEO, CAPI |

| Non-Voting Board Member & Role | Non-Voting Board Member & Role | Non-Voting Board Member & Role |
|---|---|---|
| Community-Based Org. Rep. 4: Vacancy | Department of Corrections Representative: Paul Schnell, Commissioner, Department of Corrections | Department of Labor & Industry Representative: Kate Perushek, Commissioner |
| Executive Director, Council on Asian Pacific Minnesotans: Sia Her | Executive Director, Council for Minnesotans of African Heritage: Linda Sloan | Executive Director, Minnesota Council on Latino Affairs: Sonia Reyes |
| Executive Director, Minnesota Indian Affairs Council: Shannon Geshick | MN State Council on Disability: David Dively, Executive Director | Office of Higher Education Representative: Dennis Olson Jr., Commissioner |
| Public Libraries Rep: Natalie Draper, Library Director, Northfield Public Library | School-Based Service Learning: Jill Stewart-Keller, Director of Career and College Readiness, Minnesota Intermediate School Districts | |

## GWDB Aligned Task Forces

The GWDB works in alignment with two complementary task forces that are advancing statewide coordination and reform across Minnesota's workforce development system. Together, the Interagency Workforce Alignment Task Force and the Task Force on Workforce Development System Reform connect executive-branch implementation, legislative review, and the GWDB's cross-sector expertise to strengthen feedback loops, reduce fragmentation, and align workforce policies, investments, and accountability with the state's shared goals.

### *Interagency Workforce Alignment (IWA) Task Force*

The Interagency Workforce Alignment (IWA) Task Force is Minnesota's executive-level structure for coordinating workforce priorities across state government. It brings together commissioners or their designees from the departments of Employment and Economic Development, Labor and Industry, Education, Children, Youth, and Families, Health, and Human Services, as well as the Office of Higher Education, with other agencies participating as needed. Through shared priority setting, executive sponsorship, and cross-agency workgroups, the IWA helps align workforce policies, programs, investments, data, and communications; clarify agency roles; and advance solutions to workforce challenges that extend beyond any single agency's authority.

Close collaboration with the GWDB ensures that this interagency work is informed by employers, workers, labor organizations, educators, local workforce leaders, and community partners. Quarterly updates to the GWDB, along with joint committees and workgroups, create structured feedback loops through which stakeholders can test concepts, identify implementation challenges, and shape recommendations. Ongoing alignment among IWA members, the IWA executive sponsors, the GWDB Executive Committee, and GWDB committee leaders is

essential to keep statewide priorities, agency implementation, and external stakeholder perspectives moving in the same direction while reducing duplication and strengthening shared accountability.

### *Task Force on Workforce Development System Reform*

The Task Force on Workforce Development System Reform was established by the Legislature in 2025 to examine how Minnesota develops workforce strategies, sets statewide goals, funds programs, and measures results. Its charge includes reviewing state- and federally funded workforce programs, identifying gaps, duplication, and inefficiencies, studying funding systems and potential performance measures, and recommending changes to programs, practices, funding, and laws. The Task Force has examined program scope, labor market and demographic information, state and federal funding streams, and approaches to performance measurement. Its final report and policy recommendations are due to the Legislature by January 15, 2027.

The Task Force includes legislators, the Department of Employment and Economic Development commissioner, and representatives connected to local workforce development boards. GWDB members serving on the Task Force are Carol Anderson, Michael Berndt, Nicole Mattson, and Senator Carla Nelson. Their participation creates a direct connection between the Task Force and the GWDB, bringing statewide, regional, employer, education, and local workforce-system perspectives into the reform process. Regular updates to the GWDB and coordination with its Executive Committee and standing committees can help align the Task Force's recommendations with the statewide workforce strategy, CareerForce performance work, funding recommendations, and other system-improvement priorities.

## Statewide Workforce Development Strategy and Goals

The GWDB developed this statewide strategy and its measurable goals through collaboration among its cross-sector membership, committees, state agency leaders on the IWA, local workforce leaders, employers, labor, education, and community partners. This process brought diverse perspectives and workforce needs into a shared framework for action. Statewide goals matter because Minnesota's workforce system spans many programs, funding streams, organizations, and regions; common goals help those partners align priorities and investments, coordinate implementation, measure progress consistently, and preserve local flexibility while working toward a unified vision for workers, employers, and communities.

**Statewide Goal:** Minnesota will lead the nation in building an equitable, future-ready workforce where everyone has the opportunity to succeed, and every employer has the talent to grow.

**Target:** We will begin to achieve this goal by adding 10,000 people to our labor force each year on average, prioritizing labor force increases in our Drive for 5 sectors.

**Priorities:** To get there, our workforce system will prioritize and invest in five pillars:

1. ***Equity & Access*** for all Minnesotans
2. ***Sector Partnerships*** connecting strategy across workforce, education, and economic development
3. ***Work-Based Learning & Registered Apprenticeships*** as central pathways to careers
4. ***High-Quality Jobs*** that sustain families and strengthen competitiveness

5. ***Simplified, Integrated, No-Wrong-Door Approach to Services*** that are innovative, efficient, customer-focused, and future-ready

### *Pillar 1: Equity & Access*

1. ***Close Opportunity Gaps for Overlooked Workers: By Q4 2026.*** Establish baseline statewide and regionally specific, disaggregated labor market data on unemployment and labor force participation rates for overlooked workers and by 2030: increase advancement of overlooked workers into higher-wage occupations by at least 25% from baseline.

2. ***Support Employers in Attracting and Retaining Overlooked Workers.*** By 2028: Create a statewide framework that guides employer training and hiring practices designed to increase recruitment, retention, and advancement of Minnesota's overlooked workers.

### *Pillar 2: Sector Partnerships*

1. ***Accelerate Employer Training Commitments.*** By 2028 secure 100 employer commitments to training pathway programs within sector partnerships.

2. ***Expand Sector Partnerships in Drive for 5 Sectors.*** By Q1 of 2027 establish a baseline number of sector partnerships in the state, and by 2028: increasing the number of regional, active sector partnerships across the Drive for 5 Sectors by 20%.

### *Pillar 3: Work-Based Learning & Registered Apprenticeships*

1. ***Create Statewide Work-Based Learning Framework and Expand Access.*** By 2027, develop a standard statewide definition of Work-Based Learning and establish a baseline of WBL placements, and by 2030: Increase WBL placements statewide by a target set after baseline development.

2. ***Expand Multi-Employer Registered Apprenticeships Across Drive for 5.*** By 2030, develop at least one multiple-employer registered apprenticeship program in each Drive for 5 Sector.

### *Pillar 4: High-Quality Jobs*

1. ***Deliver High-Quality Jobs Framework Training.*** By 2027, train 50 organizations, including all 16 workforce boards, to deliver the High-Quality Jobs Framework and train 300 employees in adopting elements of the High-Quality Jobs Framework.

2. ***Ensure High-Quality Jobs Sector Partnership Adoption.*** By 2030 ensure all sector partnerships integrate job-quality benchmarks with at least three core High-Quality Job components.

### *Pillar 5: Simplified, Integrated, No-Wrong-Door Services*

1. ***Expand Cross-Agency & Partner Data Sharing.*** By 2028, establish cross-agency data-sharing agreements across DEED, DHS, MDE, DOC, OHE, Minnesota State, counties, GWDB, and local boards to meaningfully reduce repetitive data entry across platforms, supported by a statewide baseline of services.

2. ***Establish Statewide Workforce Governance Framework.*** By 2028, publish a statewide governance framework clarifying roles and responsibilities across workforce and education partners.

# GWDB Committee Work and Recommendations

## 1. State and Local Coordination

### *1.A Workforce System Funding Recommendations*

The GWDB has appreciated opportunities to partner with the Legislature on recommendations for workforce system funding, including funding levels, sources, priorities, and distribution. As this next legislative session begins, the GWDB encourages the Legislature to align investments with the five statewide workforce development goals and the broader strategy to add 10,000 people to Minnesota's labor force annually.

*Prioritize and invest in the five statewide workforce development goals.* The language "prioritize and invest in" was intentionally used to introduce the five goals that serve as pillars of the statewide strategy. Statewide partners identified these pillars as essential to Minnesota leading the nation in building an equitable, future-ready workforce where everyone has the opportunity to succeed and every employer has the talent to grow.

The GWDB welcomes collaboration with the Legislature during the 2027 session to identify priority investments and develop effective, measurable funding recommendations.

### *1.B CareerForce Performance Framework*

CareerForce centers are Minnesota's public workforce centers as required under WIOA. They help job seekers find work, explore careers, and get training, and they help employers find and hire workers. Federal and state law ask the GWDB to set clear standards for how well these centers serve job seekers and employers. The GWDB is using a step-by-step improvement method called DMAIC, which stands for Define, Measure, Analyze, Improve, and Control. In the first step, Define, the GWDB agrees on what centers are working toward and what good performance looks like. This section completes that step with a purpose statement, six North Star priorities, and nine performance definitions. The next step, Measure, begins in 2027 and will decide which metrics to use and how to collect reliable information for them. The GWDB is not setting numerical performance targets or adding new reporting requirements at this stage.

#### *What the Law Requires*

Minnesota law (Minnesota Statutes, section 116L.665, subdivision 4) directs the GWDB Executive Committee to develop performance standards for the state's workforce centers, working with local workforce boards, local elected officials, and other partners. The law also requires a report to the Legislature every two years on how the centers are performing, with recommendations on funding, programs, and administration. This section responds to that requirement for the report due January 15, 2027.

Federal law sets a similar expectation. Under the Workforce Innovation and Opportunity Act (WIOA), the main federal law for public workforce programs, the GWDB serves as Minnesota's state workforce board. In that role, it is responsible for helping measure and improve the network of workforce centers, which federal law calls one-stop centers. That includes setting the criteria local boards use to certify that each center meets federal standards (WIOA section 101(d) and 20 CFR 679.130).

### *How Partners Shaped the Framework*

Minnesota's workforce centers are overseen by local workforce development boards, which bring together employers, education, labor, and community leaders in each region. Because the law calls for their input, the GWDB built this process around local board directors and chairs, working through their statewide association, the Minnesota Association of Workforce Boards (MAWB). GWDB members, the GWDB Executive Committee, the State and Local Coordination (SLC) Committee, leaders of the state's WIOA programs, and CareerForce leadership also took part throughout.

The GWDB launched a workgroup in June 2026. In July, the workgroup met for a full day to write the purpose statement and North Star priorities, choose nine performance areas based on the federal certification criteria, and draft first versions of the definitions and possible metrics. From August through September, the GWDB gathered broader input through the SLC Committee, the August board meeting, MAWB meetings, and a statewide survey. In October, the workgroup reviewed all nine areas together, the Executive Committee received an update, and the final draft went to partners for review. The SLC Committee approved the nine definitions on November 3, 2026.

The purpose statement, North Star priorities, and nine performance definitions are ready to move forward. Together, they describe what CareerForce centers are for and what good performance looks like, and they will serve as the foundation for statewide performance standards.

### *Purpose and North Star Priorities*

The purpose statement explains why CareerForce centers exist. The North Star priorities are six long-term aims that guide how centers serve job seekers and employers.

**Purpose Statement:** CareerForce centers provide people access to pathways to high-quality jobs and employers access to a skilled workforce that meets local needs.

**North Star Priorities:**

1. ***Economic Mobility and Quality Jobs.*** Help every individual access career pathways for high-quality jobs with family-sustaining wages and help employers find the skilled workers they need.
2. ***Seamless, Integrated Customer Experience.*** Give customers one clear path across services and partners, whether in person, online, or in the community, so they don't have to navigate the system on their own.
3. ***Equity and Access for All Minnesotans.*** Remove barriers so every person and community can reach and use services regardless of who they are, where they live, or how they connect.
4. ***Modern, Flexible, Hybrid Service Delivery.*** Meet customers where they are, in person, online, and through partners in the community, and make services easy to reach.
5. ***Employer-Driven, Sector-Based Alignment.*** Connect people to real openings by aligning services with employer needs and regional industry demand.
6. ***Data-Driven Continuous Improvement.*** Use data and feedback to measure what matters, act on what we learn, and keep getting better over time.

### *Performance Definitions*

The nine performance areas come from the federal standards that every workforce center must meet to be certified. Under federal law (WIOA section 121(g) and 20 CFR 678.800), local workforce boards must certify their centers at least once every three years. The review looks at how well each center connects people to services, meets the needs of job seekers and employers, controls costs, works with partner programs, offers access to partner services (including outside regular business hours when there is local need), satisfies customers, serves people with disabilities and other access needs, and keeps improving.

Using these same areas means the state standards will match what local boards already review, rather than adding a separate set of categories. The GWDB recommends one definition for each area that describes what good performance looks like. How each area will be measured will be decided in the next step.

*Table 3 CareerForce Performance Definitions*

| Performance Area | Definition |
|---|---|
| **1. Service Integration** | Programs and providers coordinate so customers receive timely information and connections to the services and resources they need. |
| **2. Meeting Employer Needs** | Center services respond to employer-identified needs and align with the priority industry sectors and economic conditions identified in the local plan. |
| **3. Cost-Efficient Operations** | Centers manage operating costs responsibly and direct resources toward customer services while meeting performance goals. |
| **4. Partner Coordination** | Required and other relevant partners agree on roles, responsibilities, resources, data sharing, shared goals, and follow through while preserving local flexibility. |
| **5. Access to Partner Services** | Customers can understand and use partner services, and staff can obtain the information needed to serve them, with as few avoidable barriers and repeated steps as possible. |
| **6. Provision of Service Outside Regular Hours** | Centers provide services outside standard business hours through in-person, virtual, on-demand, or partner options when a Local Workforce Development Board identifies a need. |
| **7. Customer Satisfaction** | Job seekers and employers provide feedback about their service experience, and feedback is collected consistently and used to improve services. |
| **8. Accessibility and Equal Opportunity** | Centers meet ADA, WIOA Section 188, and language-access requirements and take defined, verifiable steps beyond compliance so people can access, participate in, and benefit from services. |
| **9. Continuous Improvement** | Centers use feedback and performance information to inform changes, assess whether changes worked, and share successful practices, with clear responsibility for acting on results. |

### *Partner Feedback*

Through surveys, working sessions, and written comments, partners gave the GWDB clear advice on how to develop metrics. They asked the GWDB to hear directly from job seekers and employers, separate what centers

can control from what depends on the wider system, use reliable and consistent data, keep in mind limited staff time and existing reporting requirements, and phase in metrics over time. This advice shaped the approach described under Proposals in Development.

In written comments, MAWB supported the shared goal and asked for clearer direction on how this work fits with other statewide efforts. MAWB raised four questions that the GWDB will address as metrics are developed:

- ***System alignment.*** How does this work connect with, and possibly affect, other statewide initiatives?
- ***State and local roles.*** How will centers be funded, staffed, and supported, and which responsibilities belong to the state and which to local areas?
- ***Data and reporting capacity. H****ow will any new data or reporting build on what local areas already collect, given current staffing and funding?
- ***Sequence and support.*** How do the various initiatives fit together, in what order will decisions be made, and what guidance and support will be available?

### *CareerForce Performance Metrics in Development*

***Choosing performance metrics:*** With the definitions in place, the next step is deciding how to measure each area. Partners suggested an initial list of possible metrics, such as the number and type of services delivered to employers or how easy customers say it was to connect to other services. This list is a starting point, not a final set, and none of these metrics are being used to evaluate centers today. Before recommending any metric, the GWDB will test it against five questions:

- ***Relevance:*** Does it tell us something meaningful about how a center is performing?
- ***Data availability:*** Is the information already collected through existing systems?
- ***Accountability*****:** Is it clear whether the result depends on the center, the local partnership, or the statewide system?
- ***Reliability:*** Can it be collected and understood the same way across all locations?
- ***Feasibility:*** Can centers report it without unreasonable demands on staff, technology, or administration?

This work will move in stages. First, the GWDB will choose metrics. Next, it will collect enough reliable data to set a starting point for each one. Only after that would it consider performance targets. Results that centers control will be reported separately from broader statewide information, and centers will not be compared with each other until their data are collected the same way. The GWDB will bring the metrics that are ready for use, along with their data sources, who will report them, and estimated costs, to the Legislature in a future report.

***Workforce center funding:*** State law asks the GWDB to recommend funding levels and sources for workforce centers. CareerForce centers currently receive little to no state funding, and local boards have asked how centers will be funded, staffed, and supported to meet new performance standards. The GWDB is assessing what resources centers will need and will return to the Legislature with a recommendation as the metrics are decided and put into use.

## *1.C Work-Based Learning*

The GWDB's Work-Based Learning Workgroup is developing a statewide framework to advance Pillar 3: Work-Based Learning and Registered Apprenticeships of the statewide workforce strategy and goals presented earlier in this report. The workgroup has begun reviewing potential quality indicators, existing programs, and available data. Through this work, the GWDB aims to establish a credible statewide baseline for work-based learning (WBL) participation and then set a target for expanding access across Minnesota.

The framework is intended to complement, not replace, the legal and program definitions already in use. It will give the GWDB a consistent way to consider program quality and determine which programs and experiences should be included in the statewide baseline and future growth target.

WBL includes a range of experiences, from career exposure and hands-on learning to skill development and sustained employer engagement. These experiences serve people at different stages of their education and careers and operate under different laws, funding sources, and program requirements. The framework will create greater statewide alignment while preserving distinctions that matter for safety, licensing, accountability, funding, and employment law.

The workgroup brings together representatives from education, workforce, labor, industry, and state agencies. Its initial work has established a clear direction: recommend quality indicators for the framework, identify existing programs that align with those indicators, and determine where reliable participant data are available. The GWDB will use that analysis to establish an initial statewide baseline for WBL participation.

### *Data Challenges*

Minnesota cannot yet produce a reliable statewide count of WBL participants. Relevant data are spread across state, federal, education, workforce, and apprenticeship systems, and the availability and consistency of those data vary by program. As a practical starting point, the workgroup will focus the initial baseline on programs that align with the recommended quality indicators and have usable participant data. It will also document data gaps so the baseline can become more complete over time.

This phased approach will give the GWDB a defensible starting point for measuring progress under Pillar 3. Once the initial baseline is established, the GWDB can set a realistic statewide target for increasing WBL participation and refine that target as the quality framework and available data improve.

### *Next Steps*

The workgroup has established the direction for this work, but its recommendations are not yet final. The GWDB has not adopted quality indicators or determined which programs will be included in the baseline.

The concepts under review include whether an experience builds and applies skills; provides meaningful employer engagement and appropriate supervision; supports safe and accessible participation; includes clear learning goals; connects to education, workforce, or career pathways; and offers authentic workplace experience, with compensation when appropriate. These concepts will inform the workgroup's recommendations but are not yet GWDB-adopted standards.

Next, the workgroup will refine the quality indicators, assess existing programs against the framework, and confirm which programs have reliable participant data. It will identify programs that fit the framework but cannot yet be counted, recommend an initial statewide baseline, and propose a process for improving that baseline. The GWDB will review the workgroup's recommendations before adopting the framework or setting a statewide target for increased WBL participation.

## 2. Innovative Service Delivery

### *2.A Labor Market Information Recommendations*

Labor market information is data about jobs and workers: which jobs exist, what they pay, which employers are hiring, and what skills they need. Nearly every workforce decision in Minnesota depends on it. Students and job seekers use it to choose careers and training. Employers use it to set pay and plan hiring. Colleges, local workforce boards, and state agencies use it to decide which programs to fund.

Much of this information comes from surveys run jointly by the federal government and the states, and those surveys are getting harder to sustain. Fewer people and businesses are responding, federal data releases are coming out later, and federal funding for state data work has stayed flat for 20 years. Minnesota cannot control these national trends, but it can protect the quality of the data it collects itself.

The GWDB recommends two separate actions to do that. The first is a no-cost policy change that improves the state's wage data by occupation. The second is a modest, ongoing appropriation that keeps the state's survey of job openings running. Together, they protect the information the GWDB uses to track progress on its statewide workforce goals, including growing the workforce in five high-demand industries and closing employment gaps for overlooked workers. The Innovative Service Delivery Committee approved both recommendations on September 11, 2026, and the GWDB Executive Committee reviewed them in October 2026.

#### *Recommendation 1: Require Employers to Report Occupation and Wage Data*

Each year, DEED surveys a sample of Minnesota employers through OEWS about the jobs they have and what those jobs pay. Responding is currently voluntary. The GWDB recommends requiring employers selected for the survey to report each employee's job title and wage, using hourly wages for part-time workers. Most employers are selected only once every three years. Employers already keep this information in their payroll systems, and state law already requires them to maintain it under Minnesota Statutes, section 177.30. The requirement would carry no penalty or fee and would not need new state funding.

OEWS is Minnesota's main source of information on how many people work in about 800 occupations and what those jobs pay, and online tools built on this data are viewed about 80,000 times a year. Employers use it to set competitive pay and plan expansions. Job seekers and career counselors use it to compare jobs. The state uses it to confirm which short-term training programs qualify for federal Workforce Pell grants, a new form of federal financial aid for short-term training.

The data is only as good as the response rate. The estimates are most accurate when at least 75 percent of selected employers respond. About three-quarters respond now, but many of the largest employers respond only to surveys that are required. Greater Minnesota has fewer large employers, so each missing response there has a bigger effect. As a result, the data are least reliable in the regions where employers struggle most to hire.

More responses would also lower DEED's costs for following up with employers, at a time when running the survey has begun to cost more than the federal grant that pays for it.

This change would bring Minnesota in line with most other states. Twenty-six states and the District of Columbia already require employers to respond to OEWS, most through agency rules under existing authority. Minnesota could do the same, or the Legislature could put the requirement in law, for example in Minnesota Statutes, section 116J.401. The requirement could apply to all selected employers or only to those above a certain size, such as 20 or more employees. Other states have found that simply telling employers the survey is required raises response without penalties, and it spreads the work fairly instead of leaving it to the employers who already respond.

The proposal is supported by the Federal Reserve, SHRM, the Governor's Office, the Minnesota Council of Nonprofits, and Enterprise Minnesota, and DEED has listed it among its priorities. A version was heard in the House Jobs Committee in 2020 before the pandemic response took priority. The GWDB is continuing to meet with chambers of commerce and business associations to hear employer concerns.

### *Recommendation 2: Sustain the Minnesota Job Vacancy Survey*

The GWDB recommends providing $200,000 per year, on an ongoing basis, from the Workforce Development Fund to DEED to keep the Minnesota Job Vacancy Survey running. The funding would pay for one new staff position and overtime for three existing staff. It keeps the current survey going and does not expand it.

Since 2001, DEED has surveyed employers about the jobs they are trying to fill, making the Job Vacancy Survey Minnesota's most complete picture of open jobs. It shows openings by occupation and region, what employers are offering to pay, and what education and experience they require. It identifies which jobs are most in demand, which shapes where state training dollars go. It also powers career tools such as Occupations in Demand and the Career and Education Explorer and informs the One Minnesota plan. Career counselors use it to point job seekers, including overlooked workers, toward real openings, and employers use it to compare their pay offers with others.

The survey's funding is not secure. Today it is paid for with a mix of a federal grant and state data funding that is also needed for other work. Neither source is set aside for the survey or guaranteed from year to year, and together they do not cover its full cost. Without stable funding, Minnesota could lose regional detail or break a 25-year record of data that employers, educators, and policymakers rely on.

The Workforce Development Fund is the right source for this funding. The fund pays for job training and employment programs across Minnesota, and the Job Vacancy Survey helps decide which jobs and industries those programs should focus on. Paying for the survey from the same fund connects the data directly to the spending it guides.

## *2.B Overlooked Workers Baseline Framework*

Minnesota has faced persistent equity gaps in employment, workforce participation, wages, and access to economic opportunity. The GWDB's Overlooked Workers Baseline Framework is intended to name and measure those gaps so the state can take focused, coordinated action to close them. The framework provides an initial way to identify groups of Minnesotans who face greater barriers to finding, keeping, and advancing in work. It establishes a starting point for Pillar 1 of the Statewide Workforce Goal, Equity & Access, and supports the 2030

goal of increasing by at least 25 percent the number of overlooked workers who advance into higher-wage occupations.

**This initial baseline is preliminary and is not a complete list of overlooked workers or of communities experiencing workforce inequities.** It reflects the population categories and employment measures for which sufficiently consistent data are currently available. Standard data sources often combine distinct ethnic communities into broad racial categories, may undercount some populations, and may not produce reliable estimates for smaller groups or regions. As a result, the absence of a community from the initial table should not be interpreted as evidence that the community experiences equitable workforce outcomes or does not warrant state attention. The initial measures also focus only on unemployment and labor force participation. Some communities may have relatively high participation or low unemployment while continuing to experience lower wages, occupational segregation, underemployment, unstable work, limited benefits, or fewer opportunities for advancement. The five populations identified below are therefore a starting point for measurement, not a final determination of which Minnesota workers are most overlooked. The GWDB will be exploring each of these data challenges over 2027 in advance of the 2028 – 2031 WIOA State, Regional and Local Planning process.

### *Overlooked Workers Framework*

The GWDB uses two measures to identify overlooked workers: unemployment rate (the share of people in the labor force who do not have a job and are actively looking for work) and labor force participation rate (the share of the working-age population that is working or actively looking for work).

*The GWDB defines overlooked workers as populations with an unemployment rate higher than Minnesota's statewide average and a labor force participation rate lower than the statewide average.*

According to the 2025 American Community Survey (ACS), Minnesota's statewide unemployment rate is 3.9 percent and its labor force participation rate is 67.4 percent. A population meets the initial definition when its unemployment rate is above 3.9 percent and its participation rate is below 67.4 percent. The table below notes when older or national data is used because current Minnesota data is not available.

#### Key components of the framework:

- ***Two classification tiers:*** An Overlooked Worker Population falls behind the statewide benchmark on both measures. A Population to Monitor falls behind on only one measure. The initial framework focuses on groups that the Workforce Innovation and Opportunity Act (WIOA) defines as facing barriers to employment and uses data disaggregation requirements under the law as it relates to age, sex, and race/ethnicity. WIOA also allows the Governor to designate additional groups, which the GWDB will explore as this work continues.
- ***Statewide classification with regional detail:*** Statewide estimates determine how a population is classified. Regional results are also reported when the data are reliable enough. Reports will show the estimated population size and the margin of error, which indicates the uncertainty around an estimate. The framework does not require a minimum population size.
- ***Continued review and regular updates:*** The initial baseline is a starting point, not a final determination of every population the state should prioritize. Throughout 2027, the GWDB will review new and more detailed data, test the framework's assumptions, and assess additional populations to ensure that state attention and resources are directed to workers who are truly being overlooked. After 2027, the GWDB

will update the data annually and review the framework at least once every two years as part of WIOA state, regional, and local planning.

*Table 4 Overlooked Worker Populations, Initial Baseline*

| Population | People in labor force | Unemployment rate | Participation rate | WIOA status | Data basis |
|---|---|---|---|---|---|
| **Ages 16 to 19** | 158,890 | 10.1% | 52.1% | WIOA group | 2025 ACS |
| **American Indian and Alaska Native** | 31,767 | 8.4% | 62.3% | WIOA group | 2025 ACS |
| **People with disabilities (ages 20 to 64)** | 189,116 | 9.8% | 57.5% | WIOA group | 2025 ACS |
| **Ex-offenders** | Not available | 25.0% | 50.0% | WIOA group | Dated national estimates |
| **Below poverty level (low-income, ages 20 to 64)** | 148,900 | 16.5% | 50.1% | WIOA group | 2024 ACS |

*These figures are an initial snapshot and should be interpreted with the data limitations described above. The next version will include margins of error. The GWDB will revisit older and regional estimates when detailed 2025 county-level data become available, expected in early 2027, and will continue reviewing the results throughout 2027 before finalizing longer-term priorities. A population's absence from this initial table must not be interpreted as evidence of equitable workforce outcomes.*

**Populations to Monitor** have either a higher unemployment rate or a lower labor force participation rate than the statewide average, but not both. This label does not mean that these populations face fewer or less serious barriers. It means that the available data do not currently meet both parts of the initial definition. The GWDB will review these groups throughout 2027 as more detailed and reliable data become available and will reconsider their classification when the evidence supports doing so.

### *Further Research for an Improved Framework*

The initial baseline documents measurable differences in employment outcomes, but it is not yet sufficient to identify every population the state should prioritize. It does not include every group that may be overlooked, fully capture differences within broad population categories, explain why the gaps exist, or define how the state will measure advancement into higher-wage work. Throughout 2027, the GWDB will address these limitations by reviewing additional data and populations, consulting partners, and testing whether the framework identifies workers whose barriers have been missed or understated. That work will inform future state priorities and any recommendations for additional Governor designations under WIOA.

Throughout 2027, the GWDB Overlooked Workers Workgroup and its partner committees will develop the following areas to validate and refine the baseline, close priority data gaps, and ensure that future state action focuses on workers who are truly overlooked:

- ***More detailed analysis:*** Break broad racial and ethnic categories into smaller population groups when reliable data allow, with initial attention to Southeast Asian communities, African immigrant

communities, American Indian populations, and other groups that may be undercounted or obscured in standard datasets. The analysis will examine how race, ethnicity, birthplace, geography, occupation, wages, and other characteristics overlap. The GWDB will clearly identify where available data are insufficient and work with community partners to determine how qualitative information, administrative data, or improved data collection can supplement federal survey estimates.

- ***Priority data gaps and partnerships:*** Improve information about groups that current data do not describe well. For example, Minnesota lacks statewide employment outcomes for people after release from incarceration. Existing surveys and treatment records miss many people in recovery, broad categories can hide differences among subgroups within the data, and federal surveys may undercount American Indian residents. Federal data delays and declining survey response rates may also weaken the quality of state's labor market information. The GWDB will work with the Department of Employment and Economic Development, the Department of Corrections, Department of Human Services, the State Demographic Center, and community partners to identify solutions and develop recommendations for the Legislature.
- ***Additional populations and Governor designations:*** Review groups not fully covered by the initial baseline, including people living outside metropolitan areas; immigrants from Northern Africa, Southeast Asia, and other parts of Africa; people in recovery; youth who are not in school or working; people returning to work after caregiving; and gig or informal workers. The workgroup will determine which groups meet the framework's criteria and whether to recommend any for Governor designation under WIOA.
- ***Job-quality measures:*** Work with the Sector Partnerships Committee and community partners to determine how the framework should identify inequities that are not visible through unemployment and labor force participation alone. This work will build on the GWDB's High-Quality Jobs Framework and examine measures such as wages, underemployment, occupation, benefits, work stability, and opportunities for advancement. Any measures added to the statewide framework must be clearly defined, available on a recurring basis, and capable of being responsibly disaggregated.
- ***2030 advancement goal and strategies:*** Define what counts as advancement into a higher-wage occupation, establish the starting point, and select measures for tracking progress toward the 2030 goal. The GWDB will also identify ways to improve recruitment, retention, and career growth. This work supports the related 2028 goal for employer training and hiring practices.

The GWDB will use its 2027 review to refine the framework, reconsider population classifications, address the most important data gaps, and recommend focused action to close Minnesota's persistent workforce equity gaps. Findings and recommendations will be brought to the Legislature and used to guide future state priorities.

## 3. Sector Partnerships

### *3.A In-Demand Industry Sectors and Occupations*

The Governor's Workforce Development Board (GWDB) is developing a Minnesota-specific framework for identifying in-demand industry sectors and occupations to help guide workforce development priorities, training investments, and alignment between the state's workforce and economic development strategies. The goal is to identify industries with significant current or potential impact on Minnesota's economy and occupations that offer meaningful employment opportunities, including pathways to economic self-sufficiency and career advancement.

This work also advances GWDB's responsibilities under the federal Workforce Innovation and Opportunity Act (WIOA). Section 3(23) of WIOA, codified at 29 U.S.C. § 3102(23), defines an "in-demand industry sector or

occupation" and directs state and local workforce development boards to make these determinations using state and regional business and labor market projections, including labor market information. The framework is intended to provide a consistent, data-informed approach for making these determinations in Minnesota while reflecting the state's unique economic landscape and workforce priorities.

The resulting framework will help guide workforce training investments, the Eligible Training Provider List (ETPL), Individual Training Accounts (ITAs), Workforce Pell eligibility, sector partnerships, career pathways, and state and local workforce planning.

### *In-Demand Industry Sector Analysis*

Minnesota's economic and workforce priorities often span multiple industry sectors, making traditional two-digit North American Industry Classification System (NAICS) classifications insufficient for fully understanding the state's economic ecosystems. Industries that share supply chains, workforce needs, technologies, infrastructure, and market relationships may be classified in entirely different sectors despite being closely connected within Minnesota's economy.

An initial stakeholder assessment of Minnesota's 20 two-digit NAICS sectors provides a broad understanding of the state's economic landscape and helps identify areas of economic importance and opportunity. The analysis considers five dimensions:

1. ***Economic Scale:*** The size and overall footprint of an industry within Minnesota's economy.
2. ***Economic Growth:*** Historical and projected industry growth.
3. ***Workforce Demand and Pressure:*** Employment demand, workforce availability, and hiring needs.
4. ***Strategic Economic Importance:*** Alignment with state and federal investments, major projects, and emerging economic opportunities.
5. ***Wages and Job Quality:*** The extent to which industries provide competitive wages and high-quality employment opportunities.

These dimensions provide an initial analytical foundation for understanding and comparing Minnesota's broad industry sectors. However, the analysis is intended to inform a more detailed industry clustering framework rather than establish a final set of priorities based solely on sector rankings.

### *Minnesota Industry Cluster Framework*

The next step is to examine industries at a more detailed level and identify relationships that may not be apparent through traditional NAICS classifications. A Minnesota-specific clustering framework would group related industries across traditional sectors based on economic relationships, supply chains, shared technologies, occupations, infrastructure, and other connections.

This approach would:

- ***Identify interconnected industries:*** Group related industries based on economic relationships, supply chains, and shared capabilities.

- ***Reflect Minnesota's economic strengths:*** Recognize established industry concentrations, emerging opportunities, and areas of strategic investment across the state.
- ***Connect industries to workforce needs:*** Identify shared occupations, skills, and training needs across related industries to better align workforce development strategies with employer demand.
- ***Incorporate regional context:*** Recognize that industry clusters, employer needs, and workforce opportunities vary across Minnesota's six economic development regions.
- ***Inform sector partnerships and investments:*** Provide a clearer structure for aligning employer engagement, workforce initiatives, education and training investments, and economic development strategies.

GWDB staff have developed a preliminary framework grouping related industries into clusters. This approach maintains alignment with labor market data while providing a more comprehensive picture of Minnesota's economic strengths, cross-industry relationships, and existing sector partnership strategies.

### *Work in Progress*

The GWDB will continue refining the preliminary industry cluster framework and methodology, develop criteria for identifying in-demand occupations, and explore a planning tool that supports consistent state and local decision-making. Employer, subject matter expert, stakeholder, and incoming-administration input—supported by additional industry-level analysis—will help ensure the final approach reflects Minnesota's economy and broader workforce and economic development priorities.

### *Refining Industry Clusters and Methodology*

This work will validate relationships among industries that are reflective of Minnesota's economy; determine whether clusters should be combined, separated, renamed, added, or removed; and clarify how foundational sectors such as health care, education, and public and community services should be represented. The GWDB will also decide whether to identify a comprehensive cluster set, a smaller group of statewide strategic priorities, or both. It will refine the five analytical dimensions, their relative weights and criteria, and any additional economic or workforce factors. Technical assistance and industry-mapping resources may support a consistent process for maintaining the framework over time.

### *Developing an In-Demand Occupation Methodology*

After refining the industry framework, the GWDB will develop an aligned occupation methodology based on:

- ***Current and Projected Openings:*** The number of current job vacancies and projected annual openings within an occupation.
- ***Employment Growth:*** Projected employment growth to identify occupations with expanding workforce demand.
- ***Wage Levels and Growth:*** Current wages and wage growth to assess economic self-sufficiency and long-term earning potential.
- ***Career Advancement:*** Opportunities for workers to progress into higher-skilled and higher-paying positions.

- ***Industry Alignment:*** The relationship between occupations and identified priority industry clusters, including occupations that support multiple industries.

The GWDB will establish criteria and thresholds that balance employer demand, economic self-sufficiency, access, and long-term career advancement. Key decisions include whether occupations must meet family-sustaining wage thresholds or directly support priority industries; how to treat occupations with limited projected demand or openings; and how to recognize entry-level roles that provide pathways to higher-paying work.

### *Developing a Planning and Decision-Support Tool*

The GWDB will explore a decision-support tool that applies the methodology consistently, helps workforce and economic development planners understand Minnesota's priority industries and occupations, and provides a repeatable resource for statewide and local WIOA planning and investment decisions.

## *3.B Sector Partnerships Strategy*

### *WIOA Mandate*

The Workforce Innovation and Opportunity Act establishes a role for state workforce development boards in developing and expanding strategies to meet the needs of employers, workers, and jobseekers, particularly through industry or sector partnerships related to in-demand industry sectors and occupations (WIOA Section 101(d)(3)(D), 29 U.S.C. § 3111(d)(3)(D)). WIOA also defines an industry or sector partnership as a workforce collaborative that brings together key stakeholders within an industry cluster to address shared industry goals and workforce needs (WIOA Section 3(26), 29 U.S.C. § 3102(26)).

### *Minnesota's Statewide Sector Partnerships Strategy*

Minnesota's WIOA State Plan advances this priority through Goal 2, which focuses on expanding employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways. The GWDB adopted a statewide sector partnership strategy in November 2025 to establish a shared model for developing, supporting, and scaling sector partnerships across Minnesota. This strategy supports alignment around partnership scope, core activities, and performance measurement to promote consistency and effectiveness statewide. These partnerships bring together employers, education and training providers, workforce organizations, labor, and community partners to align regional workforce strategies with industry needs and create meaningful career opportunities for workers.

**The GWDB defines Sector Partnerships as follows**:

> *In Minnesota, Sector Partnerships are employer-driven collaborations that advance high-quality job opportunities within a specific industry and regional market. Sector Partnerships bring together partners, including a convener who organizes multiple employers, education and training providers, workforce boards, and other partners, as well as applicable labor organizations and community partners. These partnerships align around shared workforce goals and outcomes that strengthen both economic competitiveness and opportunity for workers.*

The adopted strategy establishes a common approach for supporting partnerships while recognizing that each partnership may have different priorities, activities, and regional needs. It identifies four areas to guide partnership development and demonstrate effectiveness:

- ***Common Definition:*** Establish a shared understanding of sector partnerships and the roles of employers, conveners, education and training providers, workforce boards, labor organizations, and community partners.
- ***Identify Activities:*** Identify shared industry and workforce priorities and activities, which may include on-the-job training and work-based learning, career pathway development, skills training and upskilling, apprenticeships, youth and student engagement, recruitment and retention, engaging overlooked workers, and advancing job quality.
- ***Identify Scope:*** Define each partnership's industry and occupational focus, geographic area, target populations, education and training strategies, talent pipeline priorities, and employer-defined demand signals.
- ***Demonstrate Quality:*** Consider how partnerships use shared data to inform decisions, document outcomes for workers and employers, demonstrate a commitment to improving job quality, engage a diverse group of core partners, incorporate worker and learner voice, and leverage partner resources and contributions.

Similarly, a clearer understanding of Minnesota's in-demand industries and occupations can help identify where sector partnerships may be most valuable and where additional partnership capacity or support may be needed. Industry and occupation data can help partnerships identify shared employer demand, prioritize workforce challenges, align education and training strategies, and connect regional activities to statewide economic and workforce priorities. Together, these efforts can help the state better coordinate employer engagement, workforce investments, and career pathway development across regions.

### *Work in Progress*

Several implementation components are underway or in development to support the statewide sector partnerships framework. This work will strengthen shared measurement, improve visibility into partnership activity, and expand practical support for regional and industry partners.

- ***Developing Sector Partnership Metrics:*** The GWDB is exploring common measures of partnership reach, engagement, alignment, and outcomes, while assessing data availability and approaches that recognize differences across industries, regions, and stages of development.
- ***Statewide Partnership Mapping and Dashboard:*** The GWDB and DEED are mapping where partnerships operate, the sectors and regions they serve, and their activities, while developing a dashboard to identify strengths, gaps, overlaps, and opportunities for coordination and support.
- ***Technical Assistance and Partnership Support:*** The GWDB and DEED are developing guidance, training, peer learning, and other technical assistance to help conveners and partners strengthen employer engagement, use labor market information, align strategies, and incorporate job quality.

### *Next Steps*

GWDB will continue advancing implementation of the statewide Sector Partnerships Strategy by developing common measures, improving statewide visibility into partnership activity, and expanding resources and technical assistance for conveners and partners. This work will also support alignment with the High-Quality Jobs Framework and the emerging in-demand industry and occupation methodology. Continued legislative support for partnership funding and technical assistance will be important to building the capacity needed to sustain and expand employer-driven partnerships across Minnesota. Together, these efforts can strengthen regional collaboration, better align workforce and economic development investments, and help ensure that Minnesota's workforce system responds to the needs of employers while expanding access to high-quality jobs and career opportunities for workers.

## *3.C Workforce Pell*

### *Background*

The Workforce Pell Grant program creates a new opportunity to expand access to federal financial aid for individuals pursuing short-term workforce training programs that lead to high-skill, high-wage, and in-demand occupations. Workforce Pell was established through Section 83002 of H.R. 1 (Public Law 119-21) signed into law on July 4, 2025, with implementation beginning July 1, 2026. The program is designed to expand the role of federal Pell Grants beyond traditional college programs to include eligible short-term workforce training programs, creating an opportunity to better connect postsecondary education, workforce development, and employer demand.

Workforce Pell also presents an important opportunity to strengthen alignment between the Workforce Innovation and Opportunity Act (WIOA) and the Carl D. Perkins Career and Technical Education Act (Perkins V). Both programs support education and training pathways connected to employer needs and in-demand occupations, but coordination across these systems is essential to ensure that learners can access training, transition between programs, and advance along career pathways. This alignment is also reflected in recent federal guidance that emphasize coordination across secondary education, postsecondary education, workforce training, and employment.

### *Minnesota's Workforce Pell Policy*

In response to the federal legislation, the GWDB, in coordination with the Governor's Office, Minnesota Office of Higher Education (OHE), and other state partners, developed Minnesota's Workforce Pell Program Determination Policy for the 2026-2027 award year. The policy establishes a statewide process for reviewing and recommending eligible short-term workforce training programs for approval. It also establishes a framework for evaluating whether programs align with Minnesota's workforce needs and provide meaningful opportunities for career advancement.

Minnesota's policy addresses several core areas of program eligibility, including alignment with high-skill, high-wage, and in-demand occupations; employer validation of workforce needs; stackability and portability of credentials; and opportunities for noncredit training to articulate into credit-bearing programs. The policy also establishes a coordinated state review process, with GWDB setting program determination criteria, DEED

providing labor market information and analysis, OHE administering program review and data collection, and the Governor making final state determinations and certifying programs for federal review.

This work represents an important step toward connecting workforce and higher education priorities through a shared approach to identifying quality training opportunities. It also creates opportunities to better align Workforce Pell with existing workforce programs and investments, including WIOA training services, registered apprenticeship, and Perkins-supported career and technical education. When coordinated effectively, these resources can help expand access to training, support transitions between noncredit and credit-bearing education, and create clearer pathways to employment and continued education.

The federal program does not provide dedicated funding to states for the administrative work required to implement Workforce Pell. As a result, GWDB and OHE staff are carrying out program development, coordination, review, data collection, and ongoing administration alongside existing responsibilities and within current resources. This unfunded federal mandate places additional demands on staff capacity as Minnesota works to meet federal requirements and establish an effective statewide process.

### *Work in Progress*

***Aligning Workforce and Education Systems.*** While Minnesota has established an initial Workforce Pell policy and program determination process, additional work is needed to strengthen alignment across WIOA, Perkins, and Workforce Pell. This includes examining how the systems define and identify high-skill, high-wage, and in-demand industries and occupations, as well as how they recognize quality credentials, career pathways, and employment outcomes. Greater consistency across these definitions and processes can reduce fragmentation for learners and providers while helping ensure that workforce and education investments support shared state priorities.

GWDB's ongoing work to develop a Minnesota-specific methodology for identifying in-demand industry sectors and occupations will also inform future Workforce Pell program determinations. A clearer understanding of the industries and occupations that are important to Minnesota's economy will help guide decisions about which training programs align with state workforce priorities and where education and training investments may have the greatest impact.

***Strengthening Data Infrastructure and Outcome Measurement.*** Implementing Workforce Pell and meeting future federal accountability requirements will require stronger coordination of data across higher education and workforce systems. Minnesota must be able to better track learners from enrollment and program participation through completion and into employment. This will require continued work to align student, program, credential, and employment data across agencies and institutions, establish consistent data-sharing processes, and strengthen the infrastructure needed to evaluate program outcomes.

Federal Workforce Pell requirements will also become more specific beginning with the 2029-2030 award year, when programs must demonstrate that graduates are employed in the occupations for which they were trained, or in comparable high-skill, high-wage, or in-demand occupations. Meeting this requirement will require more detailed information about the jobs individuals obtain after completing training, including occupational information that is not consistently available through existing administrative wage records. Enhancements to wage record data and improved connections between education and workforce data systems will be important

to supporting these future requirements and evaluating whether training programs lead to the employment opportunities they are intended to serve.

### *3.D High-Quality Jobs Framework and Metrics*

The GWDB adopted the High-Quality Jobs Framework to establish a shared definition of job quality and guide workforce strategies, investments, and sector partnerships across Minnesota. The framework is aligned to Pillar 4 of the Statewide Workforce Goal of prioritizing and investing in high-quality jobs that sustain families and strengthen competitiveness. The framework was created with extensive input from employers, workers, and community partners across Minnesota. Through this engagement process, five pillars emerged as the areas where meaningful action can most effectively improve job quality. These pillars serve as a common foundation for understanding and strengthening the conditions that allow workers and businesses to succeed.

- ***Compensation & Benefits:*** Fair, competitive pay and benefits that support workers' economic security. Safe & Stable Working Conditions: Work Environments that protect health, safety and provide predictable schedules.
- ***Equitable Hiring & Career Development:*** Inclusive practices that ensure access to jobs and advancement of all workers.
- ***Worker Voice, Empowerment & Respect:*** Workers are valued, heard and included in decision-making. Sector Specific Metrics: Standards tailored to the unique needs and realities of different industries or sectors.

Following the adoption of the framework in November 2025, the GWDB developed a set of metrics to help employers, policymakers, and workforce partners assess job quality and identify opportunities for improvement. The metrics translate the five pillars into practical measures of employer practices and workplace conditions while allowing for differences across industries and workplace contexts. These measurements are not intended to serve as regulatory requirements or compliance standards. Instead, they provide a practical resource to help employers and workforce partners understand where they are making progress on job quality and where additional opportunities may exist. The metrics are designed to support continuous improvement, encourage reflection, and promote practices that strengthen worker experience, retention, and competitiveness. As Minnesota continues to embed job quality into program design, technical assistance, and funding strategies, these shared measures will help create consistency and clarity across initiatives while giving employers flexible pathways to participate and improve.

#### *GWDB Implementation and Next Steps*

The GWDB is advancing implementation of the High-Quality Jobs Framework and metrics through various efforts, including an upcoming pilot subgrant program intended to support employers in creating and strengthening high-quality jobs within their organizations. The pilot will support local workforce partners in working with employers to apply the framework, test the employer toolkit, and identify practical strategies for improving job quality. Findings will help determine which metrics are most useful and feasible across different industries and workplace contexts, inform improvements to the toolkit, and identify resources needed to support broader implementation.

The pilot will also inform the development of future resources to promote job quality across Minnesota, including a potential statewide dashboard to monitor job quality practices, highlight areas of progress, and

identify where additional support or investment may be needed. Broader outreach to local workforce partners and employers, along with resources for data infrastructure and dashboard development, could help expand the use of the framework and metrics statewide.

### *Proposals in Development*

***Job Quality Badging and Recognition.*** The GWDB will explore whether a job quality badging or recognition system could help employers communicate their job quality practices to workers and job seekers while encouraging continued improvement. Findings from the pilot will help determine whether such a system would be useful, how it could align with the adopted framework and metrics, and what criteria and implementation supports would be needed.

***Job Quality Dashboard.*** The GWDB will explore the development of a statewide job quality dashboard to monitor job quality practices across Minnesota, highlight areas of progress, and identify where additional resources or support may be needed. Findings from the pilot will help inform the dashboard's design, including which metrics are most useful, what data are available, and how information can best support workforce planning, employer engagement, and investment decisions.

## 4. Interagency Workforce Alignment (IWA) Task Force

### *4.A Caring Professions Committee*

The Governor's Workforce Development Board (GWDB) and Interagency Workforce Alignment (IWA) jointly oversee the Caring Professions Committee in recognition of the state's priority to address persistent job vacancies in caring professions. The committee brings together employers, workers, labor organizations, industry associations, educators, workforce partners, and state agencies to develop coordinated solutions to recruitment, retention, training, and advancement challenges.

Caring professions include some of Minnesota's highest-vacancy occupations, with particularly acute pressures in direct care, direct support, long-term care, aging services, disability services, behavioral health, and home- and community-based services. These challenges are compounded by fragmented training and funding systems, limited advancement opportunities, compensation and scheduling concerns, and barriers such as childcare and transportation. Maintaining the joint committee would preserve a structured forum for aligning state policy, funding, programs, communications, and data around this ongoing workforce need.

### *Provisions Approved by the GWDB*

The GWDB approved three recommendations developed through the joint committee:

- ***Data-sharing agreement.*** Advance a formal agreement between the Minnesota Department of Health and the Minnesota Office of Higher Education to link Nursing Assistant Registry information with the Statewide Longitudinal Education Data System. This connection is intended to improve understanding of education and employment outcomes, strengthen workforce analysis, and support more informed policy and program decisions while meeting applicable privacy and data-governance requirements.
- ***Celebrate Caring Careers Month.*** Establish an annual gubernatorial proclamation recognizing November as Celebrate Caring Careers Month. The statewide initiative elevates careers in long-term care, aging services, disability services, behavioral health, and home- and community-based services; recognizes the

essential contributions of caring professionals; supports morale and retention; and encourages job seekers to consider accessible, high-demand, high-impact career pathways. Implementation includes coordinated messaging, partner toolkits, recognition activities, career awareness, and employer and community events.

- ***CaringCareersStartHere website.*** Align state workforce communications around CaringCareersStartHere.com and expand the website as a shared resource for job seekers, students, educators, employers, and workforce partners. The work is intended to broaden information about disability services and the full continuum of caring careers, clarify education and training pathways, and connect users with scholarships, employment-based training, career advancement, and other workforce resources.

Together, these provisions strengthen the state's ability to understand workforce outcomes, elevate the value of caring professions, and provide clearer pathways into and through the sector.

### *4.B Work Ahead: Work-Based Learning and Multi-Employer Apprenticeships*

The committee remains interested in advancing work-based learning (WBL) and multi-employer apprenticeship programs in the caring professions, in alignment with the WBL and multi-employer apprenticeship pillar of the statewide workforce goals. This work can help learners and workers build skills, earn income, gain relevant experience, and connect education directly to employment while supporting employers in developing sustainable talent pipelines.

Multi-employer models are especially promising for smaller employers that may lack the capacity to operate an apprenticeship program independently. Shared sponsorship, training, administration, or related instruction could extend structured career pathways across the sector while reducing individual employer burdens.

Future recommendations should be informed by:

- ***The statewide WBL framework.*** Use the final framework and baseline advanced by the GWDB Work-Based Learning Workgroup to support shared definitions, quality standards, measures, and priorities.
- Lessons from implementation. Apply outcomes and lessons from the Minnesota Department of Labor and Industry's Health Sector Multi-Employer Registered Apprenticeship Program Grant to identify effective models, implementation requirements, and remaining policy gaps.
- ***Partner engagement.*** Continue engaging employers, workers, labor organizations, workforce partners, education and training providers, community organizations, and state agencies in designing practical and scalable pathways.
- ***Workforce and program evidence.*** Examine demand, participation, outcomes, equity, employer capacity, funding, and barriers that may limit access to or expansion of WBL and apprenticeship opportunities.

The committee will sequence this work so that caring-professions recommendations reinforce, not duplicate or conflict with, the broader statewide WBL framework and use the expertise and implementation findings of the Minnesota Department of Labor and Industry as their foundation. This approach will help the state move from individual initiatives toward a coordinated set of sustainable, measurable workforce strategies.

## *4.C Educator Workforce Committee*

In 2025, the Governor's Interagency Workforce Alignment Taskforce, the Minnesota P-20 Education Partnership, and the Governor's Workforce Development Board jointly convened a committee to develop legislative recommendations aimed at strengthening the early childhood and K–12 educator workforce. Using the "explore, become, grow, and thrive" framework, the committee worked to understand challenges across the educator lifecycle and ensure that proposed strategies addressed both recruitment and retention in comprehensive ways. This background reflects the state's commitment to building a workforce system that is diverse, well-prepared, and supported through all stages of career development.

The committee is in the process of developing a set of recommendations for state action, whether through agency or legislative action. Development of the recommendations has been overseen by OHE Commissioner Dennis Olson and MDE Assistant Commissioner Angela Mansfield and co-chaired by Troy Haugen of Lakes Country Service Cooperative and GWDB board member and Jesse Mason, Jesse Mason, Associate Vice Chancellor of Academic Affairs, Minnesota State Colleges and Universities.

### *Two Grounding Principles*

***Grounding Principle 1: Diversifying the educator workforce.*** Minnesota has a longstanding commitment to ensuring and growing diversity in its educator workforce. Each of the recommendations in this report should be approached with an effort to maintain and expand a diverse workforce across the educational ecosystem. Policies and practices should be approached with an effort to further improve the workplace conditions, leadership practices, advancement structures, and accountability systems that influence whether educators are able to stay and thrive in the profession, regardless of their personal background or identity.

***Grounding Principle 2: Rigorous evaluation for current and future programs.*** To ensure the success and efficacy of existing, amended, and new policies, it is essential to ensure that rigorous evaluation is an expected and supported component of implementation work. Evaluation expectations and resources should be built into policy language and budgets as they are developed. The current standard of 5 percent set aside for administrative costs is not sufficient. Building this evaluation infrastructure into current and future efforts supporting the educator workforce embeds accountability and protects taxpayer resources.

### *Seven Recommendations*

- ***Elevate Public Awareness and Recruitment into the Teaching Profession.*** Sustain investment in effective existing initiatives while building a coordinated statewide approach to communications about pathways into the profession.
- ***Reduce Financial Barriers to Entering the Teaching Profession.*** Maintain or increase investments in existing teacher workforce programs and continue developing paid pathways. Explore regional workforce hubs and other mechanisms that help communities access and coordinate educator pipeline resources.
- ***Support Mentorship, Affinity Supports, and Retention of a Diverse Educator Workforce.*** Expand targeted supports for educators of color and American Indian educators and create meaningful incentives for school systems that demonstrate effective and equitable retention practices.

- ***Build Career Pathways that Allow Educators to Grow Without Leaving Teaching.*** Develop a shared career framework that supports advancement, recognition, and flexibility throughout an educator's career. Study retirement policies that better reflect the demands of the profession.
- ***Strengthen Teacher Compensation and the Economic Sustainability of the Profession***. Advance the compensation, benefit, and salary-floor recommendations developed by the Professional Educator Licensing and Standards Board working group.
- ***Build a Sustainable Early Childhood Education Workforce.*** Expand accessible earn-and-learn pathways and pair workforce development efforts with meaningful compensation reform.
- ***Re-Engage Educators Who Have Left the Profession.*** Create more flexible re-entry pathways and consider a statewide "Welcome Back" campaign targeting licensed educators who are no longer teaching.

The committee looks forward to continued partnership with the Legislature and other state leaders to translate these recommendations into effective, equitable, and measurable action for Minnesota's educators, students, families, and communities.

## Opportunities for Legislative Partnership with the GWDB

The recommendations in this report were developed and vetted by the GWDB, a 60+ member body representing employers, labor, education, community organizations, local workforce leaders, and state agencies. The GWDB looks forward to building on this work with the Legislature and a new administration.

*A shared framework.* The GWDB's statewide workforce goals and five strategic pillars can guide workforce investment decisions. The GWDB will build on them to develop more detailed funding recommendations and welcomes legislators' engagement this session.

*A partner on strategy.* Bringing major workforce policy proposals to the GWDB early lets employers, labor, education, and other partners help strengthen them before decisions are made.

*A forum for shared priorities.* The GWDB brings legislators, employers, and partners together on cross-system issues and provides continuity across administrations and legislative sessions.

The GWDB stands ready to partner with the Legislature and a new administration to build a workforce where every Minnesotan has the opportunity to succeed and every employer has the talent to grow.