

MEMORANDUM

Date: June 18, 2025

From: Nancy Omondi, Director of Adult Programs

To: Minnesota Dislocated Worker (DW) Program Providers

Subject: Flexibility to Move Funds Across Cost Categories for SFY24 State Dislocated Worker Program Formula Grants Ending June 30, 2025

Considering the significant budget reductions for the upcoming fiscal year (SFY26), MN Department of Employment and Economic Development (DEED) is granting a one-time exemption for MN Dislocated Worker State Fiscal Year 2024 (SFY24) Formula grant funds. All grantees with remaining SFY24 funds are allowed to reallocate funding within and across the cost categories (Administrative, Career, Training, Support).

This flexibility is made possible by the statutory change effective July 1, 2024, which removes cost category limitations. While the change is effective in SFY25, the agency is extending this flexibility retroactively to SFY24 as a transitional support measure.

What This Means for You:

- Grantees may move funds between any cost categories (e.g., Admin, Career, Training, Support Services) for SFY24 formula grant funds.
- No modification to the contract is needed from the agency for these reallocations.
- This exemption applies only to SFY24 funds and does not carry over to future grants unless otherwise communicated.
- All expenditures must still meet applicable state and grant-specific eligibility requirements and documentation standards.
- The reallocations must be reflected on your final RPR/FSR for your SFY24 grant ending June 30, 2025.

We hope this added flexibility helps grantees manage their resources more effectively as we transition into the new funding environment. Please contact your grant coordinator if you have any questions or require additional guidance.

Respectfully,

Nancy A. Omondi MBA, MS, Director of Adult Programs

Cc: Marc Majors, Deputy Commissioner, Employment and Training Programs Division

Jill Roberts, Fiscal and Monitoring Director

Lensa Idossa, Dislocated Worker and Federal Adult Programs Manager