



State Fiscal Year 2019

Twin Cities R!SE Direct Appropriation

Final Report

1/15/2020

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Contents

Contents1

Background.....2

 Twin Cities R!SE2

 Workforce Development Equity Appropriations.....2

Summary of Work Plan Goals and Objectives3

Data – SFY 2019.....4

 Demographics.....4

 Activities6

 Outcomes7

Expenditures to Date.....7

 Metro Transit Program7

 Pay for Performance Project8

Future Allocations8

Background

Twin Cities R!SE

Twin Cities R!SE's mission is to transform lives through personal empowerment, career training, and meaningful employment, with a vision for a community of empowered individuals, especially men of color, who achieve long-term job success to support their families. Twin Cities R!SE (TCR) has been a critical part of workforce development in the Twin Cities since 1994. In 2018, TCR placed 242 individuals in jobs, contributing \$3.5 million to the local economy. TCR participants saw an average of \$20,000 increase in income annually for program participants. Seventy-eight percent of individuals stayed in their positions for a year, which far outpaces the national average.

Overall, in 2018, TCR served 823 adults with low-incomes. These individuals experienced multiple barriers to employment, including:

- Chronic unemployment (82%)
- Chemical dependency (52%)
- Criminal history (51%)
- No driver's license (50%)
- Mental health issues (35%)
- Homelessness or unstable housing (27%)

Twin Cities R!SE works primarily serves people of color. Historically, the racial and ethnic breakdown of the population served is as follows:

- 57% of clients are African American
- 14% of clients are multi-racial
- 6% of clients are Asian
- 5% of clients are American Indian
- 2% of clients are Latino

Workforce Development Equity Appropriations

The 2017 Minnesota State Legislature appropriated funds for SFY 2018 and SFY 2019 from the workforce development fund to TCR to provide training to hard-to-train individuals. The SFY 2018 appropriation was divided between pay for performance activities pursuant to Minnesota Statutes, Section 116J.8747 (\$800,000) and a grant (\$497,000), in collaboration with Metropolitan Transit Corporation (MTC) and Hennepin Technical College (HTC), for an MTC technician training program. ([Laws 2017, Chapter 94, Article 1, section 2, subd. 3 \(v\)](#)) Pay for performance activities conducted in FY 2018 are not included in this report. Funds available for the MTC technician training program, after subtraction of DEED's five percent administrative fee are \$472,150 and are available through June 30, 2020. Activities through June 30, 2019 are included in this report.

The 2019 appropriation of \$800,000 was exclusively for pay for performance activities. Funding available after subtraction of DEED's five percent administrative fee was \$760,000.

Summary of Work Plan Goals and Objectives

Pay for Performance Program

In accordance with Minnesota Statutes, section 116J.8747, the activities in this program are unique in that they are based on long term outcomes, culminating in placement into jobs that pay at least \$9.00 per hour with benefits and 12-month retention in the same or different job that pays at least \$10.00 per hour with benefits. The allocation of \$760,000 in SFY 2019 covered approximately 70 outcomes at \$11,000 per outcome. TCR's core services for this program are Personal Empowerment training, one-on-one coaching support services, internship opportunities, employment placement, job coaching before and after placement and job retention follow up services.

TCR has a core curriculum focusing on four main areas: Personal Empowerment, Career Exploration/Job Search Skills, Written and Spoken Communication and Computer/Technology skills. Additional sector specific trainings are based on interest, need, and fit.

TCR collects income and eligibility verification from participants who achieve outcomes described and confirms employment placement verification through documentation from an employer. Employment placement outcome payments are documented before payment, and retention payments are verified with Unemployment Insurance wage detail by DEED.

Metro Transit Technician Program

The goal of the Metro Transit Technician (MTT) program is to generate technician career opportunities within Metro Transit, building a technician "pipeline" that benefits all communities and the Twin Cities region.

Metro Transit faces an immediate and future need for technically skilled workers. The average number of vacancies in Metro Transit's mechanic position is fifteen. Metro Transit expects the number of retirements to continue for the foreseeable future, and is also preparing for a significant system expansion. This expansion will result in a 25% increase in staff levels needed for the mechanic technician role.

The identified need for mechanic technicians is not limited to Metro Transit. Other local public and private transit related industries are forecasting similar labor shortages. MTT participants will be prepared to take advantage of transit career opportunities outside of Metro Transit.

While the primary goal of the MTT program is to have 20 participants in SFY 2019 earn their 2-year degree and become Metro Transit mechanic technicians with an entry full-time salary of \$50,000/year and benefits, the program creates meaningful outcomes in terms of foundational skills, self-development, and academic experience, which can support an individual's path to a number of transit careers.

Key program objectives include:

- Hands-on skill development and instruction at Metro Transit;
- Ongoing, personalized coaching for each participant;
- Personal empowerment curriculum;
- Paid internship and customized training at Metro Transit;
- Two year technical degree at Hennepin Technical College.

Data – SFY 2019

TCR documents demographics for its program participants, their activities, services received, and outcomes in WorkForce One, DEED’s web-based client management application.

Demographics

Demographics	
Demographic Characteristic	Number
Total participants served	492

Gender	Number	Percent
Male	206	41.87%
Female	286	58.13%

Age at Enrollment	Number	Percent
18	5	1.02%
19	9	1.83%
20	23	4.67%
21	20	4.07%
22	10	2.03%
23	20	4.07%
24	19	3.86%
25-29	84	17.07%
30-39	126	25.61%
40-49	82	16.67%
50-54	39	7.93%
55-59	33	6.71%
60+	22	4.47%

Race	Number	Percent
American Indian or Alaska Native	17	3.46%
Asian	64	13.01%
Black or African American	272	55.28%
Hawaiian Native or Other Pacific Islander	2	0.41%
Multi-Race	30	6.10%
White	104	21.14%
Did Not Self-Identify	3	0.61%

Labor Status at Enrollment	Number	Percent
Employed Full-Time	58	11.79%
Employed Part-Time	86	17.48%
Not Employed, Was Not Self-Employed	346	70.33%
Not Employed, Was Self-Employed, Farm	2	0.41%
Not Employed, Was Self-Employed, Non-Farm	0	0%
Not in Labor Force	0	0%

Last Wage	Number	Percent
\$0.00-\$5.99	190	38.62%
\$6.00-\$6.99	0	0.00%
\$7.00-\$7.99	0	0.00%
\$8.00-\$8.99	1	0.20%
\$9.00-\$9.99	13	2.64%
\$10.00-\$10.99	42	8.54%
\$11.00-\$11.99	37	7.52%
\$12.00-\$12.99	45	9.15%
\$13.00-\$13.99	39	7.93%
\$14.00-\$14.99	30	6.10%
\$15.00-\$15.99	34	6.91%
\$16.00-\$16.99	17	3.46%
\$17.00-\$17.99	11	2.24%
\$18.00+	16	3.26%
No Data	17	3.46%

Barriers	Number	Percent
Homeless	50	10.16%
Lack of work history	479	97.36%
Offender	202	41.06%
Public Assistance	237	48.47%

Education	Number	Percent
0-11th Grade	42	8.54%
12th Grade Completed, No Diploma	9	1.83%
High School Diploma	170	34.55%
GED	51	10.37%
Some College/Tech/Vocational School	172	34.96%
Associate's Diploma/Degree	9	1.83%

Education	Number	Percent
Bachelor's Degree or Equivalent, or Beyond	35	7.11%
Education Beyond Bachelor's Degree	2	0.41%
Cert of Attendance/Completion	1	0.20%
Other Post-Sec Degree/Cert	1	0.20%

Average Wage at Enrollment	Average Wage at Exit	Change	Percent Change	Annualized Change
\$13.10	\$17.88	\$4.78	36.49%	\$9,942

Activities

Activities	
Activity	Number
Class Training - Occupational Skills	23
Credentialed Training	129
Custom Training	10
Education – Total*	162
Employed Part Time	2
On the Job Training	39
Work Experience	67
Employment – Total*	108
Assessment	405
Career Counseling	435
Financial Literacy Education	13
Individual Plan Development	449
Non-Credentialed Training	59
Staff Assisted Assessment	85
Staff Assisted JS In	386
Work Readiness Training	405
Other – Total*	489

*Total may include multiple instances of an activity for an individual.

Outcomes

Credentialed Training		
Credential	Credential Total	Unique Person Total
Occupational Skills Certificate	112	110
Technical/Occupational Skills License	1	1
AA or AS Degree	20	20
Other Recognized Credential	98	98

Exits

Reason	Unique Person Total
Does not require Workforce Development Services	1
Entered Unsubsidized Employment	113
Program/Type Transfer	1
Remained in School	9
Total Successful Exits	124
Total Exits	401

Expenditures to Date

Metro Transit Program

The budget for the TCR Metro Transit project was budgeted by the term of the project, from 08/15/2017-06/30/2020. The budget as follows is for entire project.

Budget Category	Amount
Administrative Costs (up to 10% allowed)	\$44,998
Direct Services	\$132,152
Direct Customer Training	\$275,000
Support Services	\$20,000
Total Funds	\$472,150

The grant period for the Metro Transit project began 08/15/2017 and goes through the end of SFY 2020. The reported expenditures by category are as follows from start date through the end of SFY 2019:

Budget Category	Amount
Administrative Costs	\$33,602.85
Direct Services	\$113,400.57
Direct Customer Training	\$264,379.45
Direct Services	\$15,614.00

Budget Category	Amount
Support Services	\$11,055.02
Total Funds Expended as of 06/30/2019	\$422,437.89

Pay for Performance Project

TCR budgeted their SFY 2019 funds for the Pay for Performance project as follows:

Budget Category	Amount
Administrative Costs (up to 10% allowed)	\$76,000
Direct Services	\$510,000
Direct Customer Training	\$135,000
Support Services	\$39,000
Total Funds	\$760,000

Expenditures for the TCR Pay for Performance project through 06/30/2019. Balance remaining of allocation is available through 06/30/2020.

Budget Category	Amount
Administrative Costs (up to 10% allowed)	\$68,200
Direct Services	\$468,034.27
Direct Customer Training	\$118,777.39
Support Services	\$26,988.34
Total Funds Expended as of 06/30/2019	\$682,000

Future Allocations

During the 2019 legislative session, Twin Cities RISE received direct appropriations from the workforce development fund for performance grants under Minnesota Statutes, sec. 116J.8747 to provide training to hard-to-train individuals. The appropriation is \$700,000 for SFY 2020 and \$700,000 for SFY2021. The amount after DEED's administrative fee was \$665,000 each year. ([Laws 2019, 1st Spec. Sess., Ch. 7, Art. I, Sec. 2, subd. 3\(t\).](#)) Funds are available until June 30, 2022.