

April 8, 2026

Dear Chair Klevorn, Chair Nash and members of the State Government Finance and Policy Committee,

WorkWell MN is a coalition of over twenty workforce development nonprofit organizations dedicated to addressing significant employment challenges in Minnesota. Our coalition works collaboratively to create solutions that benefit both jobseekers and employers. Each year, our members provide essential services to more than 230,000 Minnesotans and deliver workforce training to over 45,000 jobseekers.

Minnesota invests in community-based organizations to meet urgent needs through trusted, local partners. This approach ensures that resources are delivered effectively, with a strong understanding of local context. **The proposed changes in the Governor's supplemental budget bill would remove a critical tool in that approach: legislatively named grants (or direct appropriations).** While we strongly support transparency and accountability in public funding, a full prohibition risks undermining effective and responsive community programs.

Workforce development programs require various funding sources to prevent service gaps. **Direct appropriations provide quick and flexible support to community-based organizations.** In contrast, competitive grants require organizations to apply and compete for funding through a lengthy and formal process, which can create funding gaps that disrupt program continuity for both our organizations and the community members and employers that seek our support. Direct appropriations help eliminate these gaps, enabling continuous services for jobseekers and employers while providing workforce development programs with greater flexibility and enabling innovation in our offerings. These funds support a range of workforce programs, including those that serve populations less likely to receive support through competitive grants. Both competitive grants and direct appropriations are vital, but direct appropriations reach a broader spectrum of programs and can be implemented more responsively to community needs.

Minnesota's workforce development system relies on the expertise, community connections, and adaptability of nonprofit organizations to address the changing needs of job seekers and employers. Flexible funding, including direct appropriations, ensures these programs can operate continuously, innovate, and reach populations often excluded from competitive grants. Thorough oversight and accountability measures safeguard public investment and maintain program integrity. These safeguards include contracts with fixed dollar amounts, mandatory data reporting into a state database, and ongoing monitoring through site visits and desk audits.



At a time of higher statewide unemployment, when our communities have more need of strategic and effective workforce development services, eliminating a core source of flexible funding would significantly curtail our ability to support the resilience of jobseekers, employers, and our economy.

Sincerely,

WorkWell MN Policy & Advocacy Committee, which includes:

EMERGE

Goodwill Easterseals Minnesota

Hired

Hmong American Partnership

International Institute of Minnesota

NorthPoint Health & Wellness Center, Inc.

Project for Pride in Living

Twin Cities R!SE

