

MnSCU Office of Internal Auditing
FY00 Distribution Plan for \$2.5 Million Appropriated for Customized Training by the
1999 Legislature
Fiscal Year 2000

PURPOSE: During the 1999 Legislative Session, an additional \$2.5 million dollars was allocated by the Legislature to promote Customized Training activity in MnSCU. The System Office Director of Continuing Education/ Customized Training developed the following plan to distribute the funds.

FY00 DISTRIBUTION PLAN FOR \$2.5M APPROPRIATED FOR
CUSTOMIZED TRAINING BY THE 1999 LEGISLATURE

The 1999 Legislature entrusted MnSCU with \$2.5M in new funds to augment its provision of customized training to Minnesota employers (**Laws of Minnesota for 1999**, Chapter 214 [H.F. 2380], Article 1, Section 3). Legislative committee meetings held prior to enactment of legislation focused frequently on the labor shortage affecting most areas of the state and the widespread skills gap among the incumbent workforce (those already employed).

MnSCU's role in addressing education and training needs of the incumbent workforce has surfaced in numerous recent reports calling for comprehensive workforce development reform in Minnesota. MnSCU's Customized Training Network (CTN) has been regularly identified as one of the components critical to the state's workforce development efforts. To increase employer access to customized training, MnSCU must increase its outreach efforts and ensure that it is offering to employers all of the potential resources – assessment, instruction, applied research, student involvement – that all of the system's colleges and universities have to offer.

With this perspective in mind, the following one-time distribution plan has been devised:

Funded Activities:

Colleges:	Expand marketing, assessment, program development, and service delivery to employers.	\$1,700,000
Universities:	Increase employer access to university services by building awareness of and availability to services in partnership with customized training account representatives from MnSCU colleges.	\$ 405,111*
Statewide CTN:	Implement action plans (resulting from strategic planning) at the system level to support increased employer access to service delivery.	<u>\$ 394,889</u>
		\$2,500,000

* Does not include an additional \$119,889 in current funds that will augment this \$405,111 for a total available amount of \$525,000.

Distribution Date:

Funds will be distributed to **colleges and universities** on or before December 1, 1999, according to formula.

Funds will be distributed for **statewide CTN** action plan implementation, as prioritized by statewide CTN administrators, indicated in action plan details, by March 15, 2000.

Formulae:

Colleges: Ratio of total revenue (FY98 and FY99 average) from employer contracted activity generated by the college **customized training office**, including revenue from non-MnSCU grant sources (but excluding any required grant matching funds), in relation to CTN allocation (FY98 and FY99 average). All revenue figures, as self-reported on the attached draft distribution table, must be verified by each college's chief financial officer. Each college's additional allocation becomes part of its existing allocation

Source: System Office Continuing Education/Customized Training

and is subject to increase or decrease according to the college's annual performance results.

Universities: \$75,000 per university based on submission of a plan to the Chancellor to increase employer access to university services. This plan, submitted by each university's business and industry outreach office, should indicate strategies to be developed in partnership with the local college/colleges' customized training office(s) to build business/industry awareness of university faculty expertise and to increase employer access to university resources. The university's role in the Network is not to duplicate the college's marketing, account management and coordination role. The university's role is one of program development and service delivery, based on employer demand. As such, the university and college must work closely together to develop the programs/courses/services clearly demanded by employers and to streamline employer access to whatever the university has to offer. Each university's plan will include identified outcomes related to increased employer access to university resources. The Chancellor will approve all plans.

Distribution detail:

Colleges: Distribution to each college is set according to the college's determined ratio (total revenue: CTN allocation) in relation to all other colleges' determined ratios, to a maximum of \$170,000 (or 10% of the total available), until all funds are distributed. These funds are added to each college's customized training allocation, subject to annual increase or decrease according to performance results.

Example: College A

$$\frac{\text{Total Revenue}}{\text{CTN Allocation}} = \text{Ratio}$$
$$\frac{\$765,000}{\$165,000} = 4.63:1$$

Universities: Distribution to each university is set at \$75,000** to increase employer access to services, based on a plan with clearly established objectives and expected outcomes. Outcomes from use of these funds will be reviewed by the Chancellor with the intention of continuing to fund each program at the \$75,000 level on an annual basis. It is assumed that an increased level of partnership between a university and its college partner(s) would create opportunities for additional funding of university activity, based on employer demand for services.

** Includes \$119,889 in current funds (which were made available for the first time to universities in FY98; three schools chose to apply for funds and have received an allocation in each of the past 3 years; four schools declined to apply for funding): Minnesota SU, Mankato - \$18,383; Minnesota SU, Moorhead - \$26,506; Winona SU - \$75,000.

FY01 Funding:

Source: System Office Continuing Education/Customized Training

Progress toward meeting statewide CTN strategic planning goals will determine any additional funds available to colleges and universities for local service delivery in FY01. If the current level of funding set aside for Network-wide operations is no longer necessary, an additional amount of FY01 funds will be put into the performance funding pool, accessible to any college and/or university operation.