# Minnesota Youthbuild Program Policy

## Summary

The Minnesota Youthbuild Program awards grants to eligible organizations for the purpose of providing education and training services to targeted youth who have not been effectively served by the current educational system. The programs are to include a training/work experience component that results in the rehabilitation, improvement, or construction of: (1) residential housing for homeless or low-income individuals or families; (2) improvement to energy efficiency and environmental health of residential units or other green job purposes; (3) facilities to support community gardens; (4) public or non-profit education, social service, or health facilities principally serving homeless or low-income individuals or families.

Targeted youth are ages 16 to 24 *and* are economically disadvantaged or eligible for the high school graduation incentives program *and* are at-risk for dropping out of school or not attending any school and have not received a diploma or equivalent.

## Relevant Laws, Rules, or Policies

Minnesota Statutes Chapter 116L WORKFORCE DEVELOPMENT; YOUTH EMPLOYMENT; YOUTHBUILD:

[Minnesota Statutes 116L.361–Definitions](https://www.revisor.mn.gov/statutes/cite/116L.361)

[Minnesota Statutes 116L.362–Grants](https://www.revisor.mn.gov/statutes/cite/116L.362)

[Minnesota Statutes 116L.3625–Administrative Costs](https://www.revisor.mn.gov/statutes/cite/116L.3625)

[Minnesota Statutes 116L.364–Purpose and Design](https://www.revisor.mn.gov/statutes/cite/116L.364)

[Minnesota Statutes 116L.365–Housing for Homeless](https://www.revisor.mn.gov/statutes/cite/116L.365)

[Minnesota Statutes 116L.366–Requirement for Organizations Receiving Grants](https://www.revisor.mn.gov/statutes/cite/116L.366)

[MN Rules 5200.0930 – Exceptions to State Child Labor Laws](https://www.revisor.mn.gov/rules/5200.0930/)

[MN Session Law (2005)- Youthbuild Qualifies as Approved Training Program](https://www.revisor.mn.gov/laws/2005/1/Session+Law/Chapter/1/)

[DLI Position: 2005 session law excepts the Youthbuild program from the child labor laws](file:///S:\Groups\YTH_RW\2020%20Youthbuild\DLI%20Update%20on%20permits%20for%20YouthBuild.pdf)

[Minnesota Statues 124D.48 – Graduation Incentives Program](S:\\Groups\\YTH_RW\\2020 Youthbuild\\HS Graduation Incentives Program.pdf)

[WIOA Youth Policy – Income Inclusions and Exclusions](https://mn.gov/deed/assets/wioa-chapter6_tcm1045-134288.docx)

[US Department of Housing and Urban Development - Definition](https://www.huduser.gov/portal/datasets/il/fmr98/sect8.html) of “Low Income”

[Covid-19 Impact on DEED Youth Programs - FAQ](https://mn.gov/deed/programs-services/etp/)

**Effective Date:**

07/01/2023

**Last Updated:**

1/10/2024

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**Impact of Covid-19 Policy**

In response to questions on the impact of Covid-19 on Youthbuild and other DEED's Youth Programs, please see Youth-Specific FAQs posted at: <https://mn.gov/deed/programs-services/etp/>. Virtual/Online Resources and other information is available on the *Resources for Youth Service Providers* webpage at: <https://mn.gov/deed/programs-services/office-youth-development/resources/>

## Youthbuild Grant Awards Policy

In awarding Minnesota Youthbuild grants, the commissioner must give priority to: (1) continuing and expanding effective programs by providing grant money to organizations that are operating or have operated a successful program that meets the program purposes under section [116L.364](https://www.revisor.mn.gov/statutes/cite/116L.364); and (2) distributing programs throughout the state through start-up grants for programs in areas that are not served by an existing program.

Minnesota Youthbuild funds are competitively awarded grants through an open competition process via a Request for Proposals (RFP). The total grant award for any program may not exceed $150,000 per year. Eligible organizations must match grant money with at least an equal amount of non-state money or in-kind resources. Grants are awarded in two-year increments. Grantee performance during the first year of performance could affect the second-year funding. All final funding decisions are made by the Commissioner of DEED.

## Required Youthbuild Program Components

**Education component** that requires program participants to complete their secondary education in a traditional public or private secondary school, a suitable alternative school setting, or a commissioner of education-selected high school equivalency program. Program participants must be working toward the completion of their secondary education or literacy advancement.

**A work experience component** providing vocational skills training in an industry where there is a viable expectation of job opportunities. Training resulting in an industry-recognized credential is strongly recommended. A training stipend not to exceed an amount equal to 100 percent of the poverty line for a family of two, as defined by the final rules and regulations of the Workforce Innovation and Opportunity Act (WIOA), may be provided to program participants and must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits (See [WIOA Youth Policy – Income Inclusions and Exclusions](https://mn.gov/deed/assets/wioa-chapter6_tcm1045-134288.docx)). The subsidy or stipend must reflect prevailing wage and benefits standards appropriate for pre-apprenticeship training unless a participant's receipt of public assistance is affected. The subsidy or stipend should be structured to include incentives for progress toward increasing job skills and completing secondary education. Any work project must include direct supervision by individuals skilled in each specific vocation. Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

**Job readiness skills component** providing participants with job search skills, placement assistance, and other job readiness skills. Job search skills may include skills assessment, job search and selection, application preparation and assistance in preparing for job interviews. Job readiness must comprise at least 20 percent of each program and ensure that participants will have an understanding of the building trades, unions, self-employment, and other employment opportunities and be able to compete in the job market.

## Leadership training and peer support component providing participants with meaningful opportunities to develop leadership skills such as decision making, problem solving, and negotiating. The program must encourage participants to develop strong peer group ties that support their mutual pursuit of skills and values.

**Case Management, guidance, and support services** to identify and overcome problems that might interfere with successfully completing the program. Services include case management, needs assessment, guidance, and support services to participants who face barriers to success to completing the program and placement after completion. Services also include support to obtain a driver’s license and access to a reliable vehicle for those interested in placement in union construction employment. These services are to be available to youth during enrollment and for a period of twelve months upon exiting the program.

**Construction Plus Training Component (optional)** providing vocational skills training in a high demand industry or industries other than construction is encouraged for programs with proven performance. Recommended industries include healthcare, information technology, manufacturing/mechatronics, transportation/warehouse, and mechanical technology. A training stipend may be provided to participants in a construction plus training component and training may include a work experience or internship component.

Programs that offer Construction Plus must also offer construction training to at least enough participants, such that, at least one eligible construction or renovation project is completed or progressing toward completion. The US Department of Labor recognizes federally funded Construction Plus programs as a priority.

# Eligible Work Projects and Affordable Housing Component

Any work projects must include direct supervision by individuals skilled in each specific vocation. Work projects result in the rehabilitation, improvement, or construction of:

(1) residential units for the homeless persons or low-income families or individuals,

(2) improvements to the energy efficiency and environmental health of residential units and other green jobs purposes,

(3) facilities and incidental structures to support community garden projects; or

(4) education, social service, or health facilities and incidental structures which are owned by a public agency or a private nonprofit organization; and include, but are not limited to, Head Start or day care centers, homeless, battered women, or other shelters, transitional housing, youth or senior citizen centers, community health centers. Eligible facilities must principally provide services to homeless or low-income individuals and families.

Organizations awarded grants shall acquire at the lowest possible cost the property or buildings designated for residential housing projects. The program must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

## Allowable Housing and Equipment Costs:

Allowable costs, reimbursable by grant funds, may include building materials and supplies, power and hand tools, a used van or vehicle for transportation to the project site, and equipment which are necessary and required to build or renovate affordable housing or eligible facilities. Housing supplies, materials, and power tool equipment costs are limited to 25% of the total grant award. Prior approval is required for equipment or vehicle purchases totaling over $5,000 per item. Grantees should submit requests to the program coordinator and complete an equipment purchase approval form prior to purchase.

## Required Tasks and Deliverables:

Selected grantees are required to:

1. Use Workforce One, DEED’s internet-based, online case management system or a DEED-approved Excel spreadsheet for tracking and reporting individual participant information. Successful applicants will be expected to enter participant demographic information at enrollment; establish and track participant activities and performance outcomes; and upon exit, further track participant performance outcomes over a 12-month period. Demographic, performance, and outcome data are collected via Workforce One reports or Excel participant database spreadsheet for program evaluation and funding purposes. Workforce One training is provided by DEED’s Workforce One team at no cost. Information about Employment and Training Programs (ETP) Workforce One training sessions can be found here: <https://www.mnworkforceone.com/ManagePrograms/SessionSearch.aspx>.
2. Submit, by the 20th of the month, Reimbursement Payment Request Forms (RPRs) or Financial Status Reports (FSRs) to [DEED.FSR@state.mn.us](mailto:DEED.FSR@state.mn.us). Reimbursement Request Forms and FSRs must accurately reflect expenditures and obligations consistent with rates of participation which grant administrators will be able to track.
3. Submit to the program coordinator no later than 30 days after each quarter end, a quarterly data summary, narrative progress report, and success stories.
4. Submit annually, to the program coordinator, a narrative and data report, to include best practices, partnerships, quotes, photos, success stories, participant data, building project data, and customer satisfaction survey results.
5. Cooperate with DEED staff to conduct an annual monitoring visit or desk review of the program. Monitoring activities consists of grantee completion of the program monitoring guide, submittal of requested financial reconciliation and programmatic documents and materials, and discussion or interviews with DEED monitors.

## Other State and Federal Requirements

DEED grantees must also comply with all state and federal requirements including, but not limited to:

1. Worker’s compensation, as applicable
2. Affirmative action;
3. Data privacy;
4. Equal Employment Opportunity;
5. The Americans with Disabilities Act (ADA);
6. Unemployment Insurance

## DEED Policy on Prior Approval of Equipment Purchases

A fundamental component of the Youthbuild program includes a training or work experience component that results in the expansion of affordable housing or eligible facilities. To that end, allowable costs include transportation of crews of staff and youth to training sites. Prior approval is required for programs which plan to purchase a vehicle using state funds totaling over $5,000. Grantees should submit a request to buy a van to the program coordinator and complete an equipment purchase approval form prior to vehicle purchase.

Similarly, construction materials and supplies, land acquisition, and power tools may be necessary to carry out the requirements of the Youthbuild training or work experience component. These are allowable costs and prior approval is required for purchases of equipment or tools totaling over $5,000.

## Child Labor Laws

Youthbuild service providers must be aware of and comply with Federal and State laws regarding the employment of minor youth participants, ages 16-17. Minnesota session law, from 2005 and earlier, states that the Youthbuild program, authorized by MS, s 116L.361 to 116L.366, qualifies as an approved training program under Minnesota Rules 5200.0930, allowing exceptions to state employment prohibitions in state child labor laws. In addition, the Department of Labor and Industry (DLI) has taken the position that the 2005 session law excepts the Youthbuild program from state child labor laws and that no child labor law exemptions or waivers are required from DLI for 16 and 17-year-old youth receiving paid employment in the Minnesota Youthbuild program.

Federal child labor laws apply to all wage-earning participants and allow exemptions for 16- and 17-year-olds who are student learners enrolled in an education-recognized course of study or training and are employed under a written agreement which contains the following:

* Training on the housing site is intermittent and for short periods of time and under the direct and close supervision of a qualified and experienced person;
* Training schedule is organized and progressive;
* Any particularly hazardous occupations (roofing, use of circular saws, etc.) will be incidental to training,
* Safety training shall be given and correlated to on-the-job training.

**Implications of Paying Participants Wages or Stipends**

Stipends may be offered to youth participants in place of a wage. DEED recommends stipend payments to youth when the work experience component involves projects funded, in part or whole, by state or federal housing dollars that may trigger [prevailing wages rates](https://www.dli.mn.gov/business/employment-practices/prevailing-wage-information) for participants under the [Davis-Bacon Act (DBRA)](https://www.hud.gov/program_offices/davis_bacon_and_labor_standards/olr_dbras).

Minnesota Youthbuild programs need to have a written stipend policy in place prior to offering stipends. A sample stipend policy is listed on the webpage, *Resources for Youth Service Providers,* at: <https://mn.gov/deed/programs-services/office-youth-development/resources/>

In conjunction with Department of Labor guidance, DEED advises Youthbuild service providers to obtain an IRS determination that the participants are NOT employees by completing an IRS SS-8 form for participants who receive need-based stipend rather than a wage. If the IRS determines that the participants are not employees, the program will not be responsible for withholding social security taxes and will issue a 1099 MISC to the student at year’s end. Participants that receive a stipend rather than a wage may not be eligible for worker’s compensation insurance coverage and instead, must be covered by the employer’s insurance policy.

# Grant Modifications and Extensions

Minnesota Youthbuild grantees may request a grant modification if there is a need to change the program model or other programmatic changes. These requests will be handled on an individual basis. Contact the program coordinator if a grant modification is needed. Grant extensions are also possible. DEED expects grantees to fully expend grant funds each quarter. However, unexpected program disruptions occur and extensions will be taken into consideration. Contact the program coordinator if a grant extension is needed.

## Relevant Laws, Rules, or Policies

[Minnesota Department of Labor and Industry – Child Labor Laws](https://www.dli.mn.gov/business/employment-practices/child-labor-laws)

[Minnesota Department of Labor and Industry- Prohibited Work for Minors Under Age 18](https://www.dli.mn.gov/business/employment-practices/prohibited-work-minors-under-age-18)

[Minnesota Administrative Rules 5200.0930– Exceptions Related to Employment of Minors](https://www.revisor.mn.gov/rules/5200.0930/)

[DOL Wage or Stipend Tip Sheet](file:///C:\Users\nwaisane\Downloads\The%20Wage%20or%20Stipend%20Debate%20Tip%20Sheet_Updated0917.pdf)

[Earned sick and safe time law](https://www.dli.mn.gov/sites/default/files/pdf/esst_law.pdf)

## Definitions

1. **Eligible organization** or **eligible applicant** means a public agency or a nonprofit organization that can demonstrate an ability to implement a program for education and training services provided to targeted youth. Eligible organizations may include local jurisdictions, public school districts, private nonsectarian schools, postsecondary educational institutes, alternative schools, community groups, and labor organizations.
2. **Approved training programs** means a state-approved apprenticeship training program or to a minor enrolled in a training program approved by the Division of Vocational-Technical Education, Minnesota Department of Education.

## Low income means incomes that are at or less than 80 percent of the area median income, adjusted for family size, as estimated by the Department of Housing and Urban Development.

1. **At-risk youth** - An at-risk youth who is classified as a family of one is deemed economically disadvantaged. For purposes of eligibility determination, the following individuals are considered at risk:
2. a pregnant or parenting youth;
3. a youth with limited English proficiency;
4. a potential or actual school dropout;
5. a youth in an offender or diversion program;
6. a public assistance recipient or a recipient of group home services;
7. a youth with disabilities including learning disabilities;
8. a chemically dependent youth or child of drug or alcohol abusers;
9. a homeless or runaway youth;
10. a youth with basic skills deficiency;
11. a youth with an educational attainment of one or more levels below grade level appropriate to age; or
12. a foster child.
13. **Economically Disadvantaged** means youth who receive an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of:

* the official poverty level, for an equivalent period; or
* 70% of the lower living standard income level.

Note, youth who are eligible to receive or are receiving free school lunch are considered to be economically disadvantaged.

1. **Homeless Individual or Runaway Youth** means a participant who:
   1. Lacks a fixed, regular, and adequate nighttime residence; this includes an individual who:
      1. Is sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason,
      2. Is living in a motel, hotel, trailer park or campground due to a lack of adequate alternative accommodations,
      3. Is living in an emergency or transitional shelter,
      4. Is abandoned in a hospital, or
      5. Is awaiting foster care placement.
   2. Has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, such as a car, park, abandoned building, bus or train station, airport or camping ground.
   3. Is a migratory child who in the preceding 36 months was required to move from one school district to another due to changes in the parent’s or parent’s spouse’s seasonal employment in agriculture, dairy or fishing work; or
   4. Is under 18 years of age and absents himself or herself from home or place of legal residence without the permission of his or her family (e.g., runaway youth).

Note: this definition does not include an individual imprisoned or detained under an Act of Congress or State Law. An individual who may be sleeping in a temporary accommodation while away from home should not, as a result of that alone, be recorded as homeless.

1. **High School Graduation Incentives Program Eligibility:**

A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program, if the pupil:

1. performs substantially below the performance level for pupils of the same age in a locally determined achievement test.
2. is behind in satisfactorily completing coursework or obtaining credits for graduation.
3. is pregnant or is a parent.
4. has been assessed as chemically dependent.
5. has been excluded or expelled according to sections 121A.40 to 121A.56.
6. has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69.
7. is a victim of physical or sexual abuse.
8. has experienced mental health problems.
9. has experienced homelessness sometime within six months before requesting a transfer to an eligible program.
10. speaks English as a second language or is an English learner.
11. has withdrawn from school or has been chronically truant; or
12. is being treated in a hospital in the seven-county metropolitan area for cancer or other life-threatening illness or is the sibling of an eligible pupil who is being currently treated and resides with the pupil's family at least 60 miles beyond the outside boundary of the seven-county metropolitan area.

## Related Links

[DEED Office of Youth Development- Youthbuild Program](https://mn.gov/deed/programs-services/office-youth-development/youth-programs/youthbuild.jsp)

[Minnesota Association of Workforce Boards](https://mawb-mn.org/workforce-development-areas/)