



Support State Funding for the ProStart® Education and Hospitality and Tourism Management Workforce Programs – HF1240/SF1578

Position: Hospitality Minnesota supports continued state funding in FY24 and FY25 through HF1240, to grow a well-established, proven and successful education and workforce training programs that help young people advance careers in the hospitality industry and address workforce shortages, known as ProStart Education and Hospitality and Tourism Management Program.

Background: As the hospitality industry is facing a multi-year recovery from the impact of the pandemic on businesses, the ProStart® and Hospitality Tourism Management Program (HTMP) are two successful high school educational programs that are building the future of the industry by training and developing talented youth to work effectively in the industry. Both programs are managed by the Hospitality Minnesota Education Foundation, a 501(c)(3) nonprofit organization.

2021 Legislative Approval of Grant. In the 2021 Special Session, lawmakers enacted legislation to provide a \$250,000 appropriation grant to support schools already offering or interested in adding the ProStart and Hospitality Tourism Management Program curriculum. This investment has been instrumental in retaining the two current programs as many high schools experienced increased turnover with instructors and budget cuts due to the pandemic. The grant funds have also made it possible for schools to purchase the curriculum and provide other training-related support with the goal of helping thousands of students enter the workforce trained and ready to succeed in the hospitality industry.

The initial two-year appropriation grant will expire in June 2023 with all funds having been directed to support new and current hospitality programs. There are currently more requests from schools than there are funds remaining to support, therefore, Hospitality Minnesota is seeking a new investment of state funds in FY24 and FY25 to continue the momentum that has been achieved through the first appropriation grant awarded in FY22 and FY23.

The progress report for Youth-Focused Direct Appropriations underscores the enormous success and positive impact Hospitality Minnesota Education Foundation has achieved in supporting ProStart and HTMP programs and may be viewed on MN DEED's website at <https://mn.gov/deed/programs-services/office-youth-development/special/direct-appropriations/>

This was first such public investment hospitality education in Minnesota and Hospitality Minnesota supports continued funding to continue to grow these critical workforce programs.

ProStart® is currently offered in over 90 Minnesota high schools engaging more than 5,500 students with over 750 already working in the industry. Minnesota has 25 schools teaching HTMP with about 350 students. These programs are highly successful and additional schools are seeking to add these programs, however, costs for curriculum and teacher training for new entrants, as well as current

participants that need to update their curriculum, continue to be a financial challenge in the current environment.

Hospitality Minnesota Education Foundation and other industry business partners provide grants, scholarships and other funding to help students participate in ProStart® and HTMP and to pursue post-secondary education. Over the past 15 years, Hospitality Minnesota Education Foundation has awarded over \$858,500 in scholarships, to 356 post-secondary students, however, additional financial support is needed to meet the demand of new school participants, as well as ongoing participants in need of teacher training and curriculum upgrades.

ProStart® is a nationwide, two-year high school program that unites the classroom and industry to develop the best and brightest talent into tomorrow's restaurant and foodservice leaders. ProStart teaches not only culinary skills, but also the business aspects of the foodservice industry. The program connects students with industry leaders, provides opportunities for scholarships and perhaps most importantly, prepares young people for careers as restaurant owners, managers, chefs and other positions.

Hospitality & Tourism Management Program introduces high school students to the lodging industry through classroom learning, real-work experiences and field trips. The curriculum, developed by the American Hotel & Lodging Association Educational Institute, covers front office and housekeeping management, marketing and sales, food and beverage, as well as general management and leadership skills.

Hospitality Workforce Facts and Data:

- Department of Employment and Economic Development [data](#) indicates the Hospitality industry remains down thousands of jobs from pre-pandemic levels, indicating tremendous opportunity for youth and new workers;
- The Federal Reserve Bank of Minneapolis, Explore Minnesota Tourism and Hospitality Minnesota survey data indicates that 85% of operators report labor availability as "tight";
- Hospitality is one of the fastest pathways to management and entrepreneurship regardless of postsecondary education, with [national experts](#) indicating 9 in 10 managers and 8 in 10 owners began at entry level positions;
- Wages are rising rapidly and the average hospitality worker in Minnesota now makes a [higher wage](#) than that of the state median income. Since January 2021, the average hospitality wage has risen over 19%.
- One-in-three Americans get their start in hospitality. Bureau of Labor and Statistics [data](#) indicates the accommodation and foodservice sector employs workers aged 16-19 at a rate more than *five times* the average workplace. While brand-new and youth workers are more likely to initially be compensated less than mature, experienced workers, the pathway to advancement (including management) is swift with so much opportunity; and

- According to federal data, workers who get their start in tourism and travel hospitality earn more over their career than workers who get their start elsewhere, including women, Hispanic and African American workers. Workers with a high school degree or less also make more over the course of their career if they start in this industry.

There is tremendous opportunity for young people starting out in hospitality and educators, policymakers and industry to work together to give those with a passion for hospitality the tools they need to successfully pursue a dynamic career journey. Continuing to fund the growth of successful high school work force programs like ProStart and the Hospitality Tourism Management Program should be a policy goal for the State.

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