

JOINT POWERS BOARD

November 9, 2017, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Cheryl Key (Secretary), Randy Johnson (Executive Director), Brian Ashton, Susan Boehm, Rick Gnemi, Wanda Jensen, Mitch Lentz, Jason Majerus, Jerry Reinartz, Teresa Walter, Jill Miller (Note Taker)

A quorum was present and Cheryl Key called the meeting to order. **Jerry Reinartz moved for consent of the November agenda, Mitch Lentz seconded, and the motion passed. Jason Majerus moved for consent of the September meeting minutes, Rick Gnemi seconded, and the motion passed.**

Seating of New Workforce Development Board (WDB) Members

- Marcia Ward who filled the Public CBO-Housing and Redevelopment Authority (HRA) position has relinquished her position on the Board, leaving the seat vacant. The Director recommended the seating of Joy Watson, Executive Director for the Rice County HRA, to fill the Public CBO-HRA vacancy. **Teresa Walter moved to approve the seating of Joy Watson to the WDB; Jason Majerus seconded, and the motion of was approved.**
- Vera Ndumbe who filled the Private Fillmore seat on the WDB has had decreased attendance due to additional work commitments and will relinquish her seat on the WDB. The Director recommended the seating of Rob Van Craenenbroeck, from Gundersen-Harmony Care Center, to fill the Private Fillmore vacancy. **Mitch Lentz moved to approve the seating of Rob Van Craenenbroeck to the WDB; Rick Gnemi seconded, and the motion of was approved.**
- John McDonald who filled the Public K-12 position accepted a promotion to a new position this summer, leaving the seat vacant. The Director recommended the seating of Brian Cashman, Coordinator of Alternative Programs for the Goodhue County Education District, to fill the Public K-12 vacancy. **Jason Majerus moved to approve the seating of Brian Cashman to the WDB; Mitch Lentz seconded, and the motion of was approved.**

Randy Johnson is working to fill the vacant Private Rice and Public CBO-Older Workers seats.

Fiscal Report – Brian Ashton

- Fiscal Report: (Attachment A) Brian stated that there have been no additions or deletions since the last reporting period. Our budget is at just under \$7 million. He noted that we are waiting for a Higher Education Career Advisor Project (HECAP) Grant of \$31,500. We have gotten notice of the funding, but are waiting to receive the paperwork. Brian indicated that we are 33% of the way through the year.
- Functional Expenses: Brian stated that salaries and fringe run a month behind; which should be at 25%. The balance of the expenses should be at 33%. The equipment line item is a little high due to an annual payroll software upgrade earlier in the year. Overall, there were no surprises. Brian noted that the Department of Employment and Economic Development (DEED) has indicated that data line fees for Resource Room computers in the WorkForce Centers (WFC) will be dropping by 80 percent in the upcoming year. Randy Johnson believes we are making progress towards a decrease in costs, but nothing has been finalized.
- The audit should be starting this month. Last year's support documents have already been forwarded to our auditor. The final report should be here by the end of the calendar year.
- Brian reported that we received a bid for next year from our current health insurance provider, Blue Cross Blue Shield (BCBS). Workforce Development, Inc. (WDI) will continue to offer employee health insurance through BCBS. There will be no increase in premiums for 2018. The High Deductible Health Plan will have an increase in the deductible from \$2,600 per individual to \$2,700 per individual; and from \$5,200 per family to \$5,400 per family. This is an Internal Revenue Service (IRS) requirement in order to keep the current imbedded plan design which applies the individual deductible to each member of the family. There will be no change to the Traditional Plan deductibles or out-of-pocket maximums. CVS/Target Pharmacies are no longer considered In-Network. Brian discussed that there will be no increase in dental insurance premiums or plan design. There will be a nominal increase to our life insurance, dependent life, long term disability, and voluntary life rates through CIGNA. **Rick Gnemi moved to approve the Fiscal Report; Jerry Reinartz seconded, and the motion was approved.**

Program Reports

Dislocated Worker – Randy Johnson

- Randy reported that Woodstream in Ellendale is closing by the end of the year. There are 44 employees at the Ellendale facility involved in this layoff. Bill Hahn and the DEED Rapid Response Team are currently at Woodstream conducting Dislocated Worker (DW) Program orientations. Randy stated that current funding will allow us to serve those employees.
- Quad/Graphics, formerly Brown Printing, in Waseca will be permanently closing their facility by the end of 2017. All 338 employees will be laid off. Randy noted that the layoff is not in our Southeast Minnesota Workforce Service Area (WSA), but about one-third of Quad/Graphics employees live in our WSA. WDI has been in touch with South Central College, who will be the lead provider for funding to serve those laid off employees. WDI will be doing a subcontract with South Central College to serve those who live or may obtain future employment in our WSA. An upcoming job fair is being planned. Randy believes that WDI may be able to resume regular office hours at the Owatonna office in order to serve these workers.
- Randy reported that our enrollments have been as planned; however people are less interested in training.

Youth – Randy Johnson

- Randy provided the JPB with a report and overview of youth program outcomes for July 1, 2016-June 30, 2017. He reported that he recently received a report of homelessness among youth broken down by school district in our area. At the request of JPB members, Randy will share this report at the next meeting.

Minnesota Family Investment Program (MFIP)/Welfare Reform – Wanda Jensen

- Wanda provided JPB members with a breakdown, as of late October, of enrollments in our welfare reform programs. WDI has served over 3,000 people in our welfare reform programs this year. Approximately 20% were employed full-time when coming in for assistance. The average wage at employment was \$10-12 per hour. Statistics indicate that after participants are enrolled in the program and have worked with a WDI career planner, the number employed just before exiting the program increased by 40%. The average age of those receiving assistance is 22-39 years old. They are predominantly women; 25% are men, 70% are one-parent families, and 30% are two-parent families. Self-disclosed information from recipients in nine WDI counties indicates that 9% are homeless, 20% are disabled, 10% are ex-offenders, and 2% are Veterans. Wanda reported that 74% of those coming in for assistance and then leaving assistance are staying off assistance for at least 12 months. For MFIP, 8.6% of cases are being extended beyond the five year limit. Wanda noted that 47% of those who are extended beyond the five year limit have a medical condition that keeps them from working full-time. Lack of childcare is the biggest obstacle, and WDI will be working on that in the coming year.
- Wanda is currently negotiating contracts for 2018. WDI won the Olmsted County contract; everything will stay the same. MN Prairie has approved an increase in funding in Dodge County. WDI will maintain the contracts in Fillmore. She will be meeting with other counties next week.
- WDI and partners are currently working on responding to DEED Competitive Grant Request for Proposals (RFP). The first round of DEED grants includes: Support Services, Southeast Asian Economic Disparities Relief, and Capacity Building. Wanda is not aware of any Capacity Building grants that will be submitted in the region. WDI currently has a Southeast Asian Economic Disparities Relief grant to serve the Karen population in Austin and Albert Lea. We have already submitted an extension of the current grant, but also added an additional component to partner with Project FINE in Winona to serve the Hmong population. Three Support Services grants will be submitted from our region: (1) Jinny Rietmann is working on a partnership with Red Wing Youth Outreach; (2) WDI is partnering with Healthy Community Initiatives, Faribault Adult Basic Education (ABE), and Somali Youth Resettlement to submit a grant on the topic of career pathways; and (3) WDI is partnering with Somali Youth Resettlement on a grant to assist Somali students who are aging out of high school without basic education skills.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- Randy stated that 20% of our Federal dollars come from WIOA funds. WDI received the paperwork for WIOA dollars on Tuesday. We are currently waiting for our last nine months of money for this program year, which was due to arrive by October 1, 2017. We should receive the money by mid-November. President Trump, in his proposed budget, started with cutting our Federal WIOA Program by 39%. Randy stated that he is pleased that the House and the Senate agreed that the program cannot be cut to that extent, and a 2 to 5% reduction has been reported. There is a continuing resolution through December 6th, 2017.

Director's Report – Randy Johnson

Legislative Update

- Randy stated that the Federal legislative update is as reported under the WIOA report in the above minutes.
- At a State level, WDI has a good chance at securing three grants going forward. Pathways to Prosperity (P2P) Grant work is also going on. There is \$18 million dollars of P2P money to be distributed in two rounds. The money would be used to target sectors and for disadvantaged populations and minorities. We expect the first

round of grant applications to come out in the next couple of weeks. Randy is very optimistic that we will receive grant funding and that it will be available in early to mid-2018. WDI is looking to write P2P grants focused around manufacturing and construction. We have also talked about writing grants centered around customer service, information technology (IT), and agriculture. Randy stated that he spoke with Senator Jeremy Miller again regarding reorganizing the Workforce Development Fund. Senator Miller was very reassuring and indicated that he wants local control of the funds. Randy shared that he met with state legislators this week to discuss Bridges to Healthcare (BTH).

Regional WIOA Alliance Report

- Randy reviewed that Joint Officers from both our WDB and Joint Powers Board (JPB), in addition to the Winona County WDB come together periodically. The Alliance has determined that their main focus should be on creating basic awareness campaigns highlighting the career opportunities that are available in different public sector industries for both youth and adults. Randy suggested that we assemble a regional “play book” of statistics from key industries to share with our customers.
- Susan Boehm shared that WDI is planning a Carpentry Training from January 29 – March 16, 2018. We hope to have 12 to 15 people participate. The training will run for seven weeks. Soft skills training will take place during the first two weeks, followed by five weeks of carpentry training at the Carpenter’s Union. When this training is successful, we hope to replicate it. Wanda Jensen indicated that we are almost ready to submit a Department of Labor and Industry (DLI) apprenticeship grant to help fund a navigator who will help people maneuver through this industry training.

Update on Budget

- Randy noted that our budget is at \$6.9 million; although we are operating as though we have \$7.3 million. We are still under-resourced. He is very hopeful that we will receive grant funding and it will be available in early to mid-2018. Randy indicated that we are in good shape, but watchful.

Presentations: “Meet the Out-of-Work” and IMPAQ International, LLC: Summary of Employer and Job Seeker Survey Results

- Randy shared two PowerPoint presentations with the Joint Powers Board (JPB). The “Meet the Out-of-Work” presentation described local profiles of jobless adults and strategies to connect them to employment. The second presentation summarized both employer and job seeker survey results, as conducted by IMPAQ International, LLC. The purpose of the survey was to describe both employer and job seeker satisfaction with Minnesota’s WorkForce System.

Next Meetings

- January 11 and March 8, 2018.

Jason Majerus moved to adjourn the meeting, Rick Gnemi seconded, and the meeting was adjourned.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

ATTACHMENT A**Workforce Development, Inc.****REVENUES by fund source**

From: 1-Jul-17 Thru: 30-Nov-17	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	536,699	33.8%	1,588,835
Youth Employment & Training	375,677	33.2%	1,131,843
Dislocated Workers	546,424	35.7%	1,529,062
	<u>1,458,800</u>	<u>34.3%</u>	<u>4,249,740</u>
Fees for Service/Other:			
Welfare Reform	863,405	32.2%	2,681,000
Custom Training	0	0.0%	5,000
Donations	8,090	161.8%	5,000
	<u>871,495</u>	<u>32.4%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u><u>2,330,295</u></u>	<u><u>33.6%</u></u>	<u><u>6,940,740</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	26,536	0.0%	0
Unallocated Indirect Costs	71,399	0.0%	0
	<u>97,935</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>2,428,230</u></u>	<u><u>35.0%</u></u>	<u><u>6,940,740</u></u>

Changes Since Last Report:

Total Change	<u><u>0</u></u>
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ATTACHMENT A**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-17 Thru: 30-Nov-17	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	1,107,919	35.4%	3,126,993
Payroll taxes & benefits	354,537	35.4%	1,000,342
Subcontracted services	52,740	15.9%	331,318
Staff development/conferences	11,694	39.0%	30,000
Travel	33,168	40.8%	81,300
Board expenses	3,088	20.6%	15,000
Telephone	23,983	48.0%	50,000
Postage	4,928	41.1%	12,000
Utilities	19,398	43.1%	45,000
Marketing	1,506	12.6%	12,000
Dues and subscriptions	5,916	39.4%	15,000
Auditing & legal fees	2,000	9.5%	21,000
Maintenance	28,464	34.3%	83,000
Rent and occupancy	168,782	41.7%	405,000
Insurance	9,329	44.4%	21,000
Supplies and other	36,759	40.2%	91,385
Equipment	6,594	65.9%	10,000
Equipment rental	39,019	28.4%	137,228
Classroom training	330,768	34.0%	974,092
Participant support	117,074	36.4%	321,379
OJT contracts/wage subsidy	10,492	17.6%	59,453
Participant Wages	54,436	43.9%	123,862
Participant Fringe	7,662	40.6%	18,889
Other training expenses	2,575	34.3%	7,500
Workforce Center Partner Billing	-2,436	20.30%	-12,000
	<u>2,430,395</u>	<u>34.82%</u>	<u>6,980,740</u>