

SE MN Workforce Development Board

December 1st, 2016, 2:00 PM

Workforce Development, Inc.
Rochester, Minnesota

Minutes

Members Present: Guy Finne (Chair), Randy Johnson (Executive Director), Aaron Benike, Jeff Custer, Dorothy Duran, Cheryl Gustason, Sarah Gutzman, Mike Haney, Russell Hess, Nancy Hoffman, Jean Larson, Julie Nigon, Lonnie Otterson, Kris Pierce, Michelle Pyfferoen, Wayne Stenberg, Andy Toft, Marcia Ward, Nikki Weber-Knutson, Jim Wendorff, Holly Zuck, Jill Miller (Note Taker)

Others Present: Mark Baas, Susan Boehm, Dallas Groten, Jennifer Hamilton, Wanda Jensen, Vicky Koehn, Christine Olson, Rebeca Sedarski, Jakki Trihey

A quorum was present and Guy Finne called the meeting to order. **Mike Haney moved to approve the December agenda and November meeting minutes, Jim Wendorff seconded, and the motion passed.** Introductions of all in attendance were made.

Nominations/Election of New Workforce Development Board (WDB) Officers – Randy Johnson

- Randy discussed that new WIOA regulations state that all standing committees of the WDB need to have membership from outside of the Board. Roy Harley has elected to relinquish his seat on the WDB, but will remain as a member of the Management Committee as an ex-officio. We will plan to officially thank Roy at the January WDB meeting. Randy noted that this will open a WDB seat dedicated to diversity. He stated that he is sending letters to several diversity organizations within our 10-county area. Randy will be bringing a slate of options to the Joint Powers Board (JPB) at their next meeting.
- Randy states that he has recruited Cheryl Gustason to be 1st Vice President. Jeff Custer has agreed to fill the Treasurer position that was previously held by Roy Harley. The nomination slate of officers for two-year assignments are: President - Guy Finne; 1st Vice President – Cheryl Gustason; 2nd Vice President - vacant; Secretary – John Devlin; and Treasurer – Jeff Custer. **Mike Haney moved to approve the changing of officership as presented, Wayne Stenberg seconded, and the motion was approved.**

Program Reports

Management Committee – Randy Johnson

- **Fiscal Report (Attachment A)** – Per Brian Ashton's report at today's Management Committee meeting, there have been no changes in revenue since the last report. He made note that that our budget is just over \$7.9 million. The staff development/conferences line item is high due to upcoming additional expenses for an all-staff meeting and management staff training, in addition to the Global Career Development Facilitator (GCDF) training. Randy stated that we will can move money from another line item and add it to staff development/conferences to keep us on budget. **Sarah Gutzman moved to approve the Fiscal Report, Michelle Pyfferoen seconded, and the motion passed.**
- Randy stated that there are two line items that are high and give us some budget difficulties; salaries/wages and payroll taxes/benefits. Randy stated that Workforce Development, Inc. (WDI) just got done writing for over a dozen grants and only received one for Karen/SE Asian Economic Relief in Mower and Freeborn Counties. He noted that 80% of the funding went to the Metro Area. Randy stated that WDI caseloads are also down. Accordingly, there will be some reduction in staff after the first of the year. By attrition, there are four positions that have not or will not be refilled. In addition, WDI will need to eliminate four to five more positions and reduce the hours of four other staff. He emphasized that the reduction will allow WDI to keep all of the offices open and will not jeopardize any key programs.
- **Audit:** Randy reported that the audit is now complete. He reminded WDB members that they were e-mailed Form 990. He asked WDB members to complete, sign, and return the form if they have not done so already. He stated that a summary of the final audit report will be presented to the WDB for approval at the January WDB meeting.

- Randy reviewed that WDI elected to change our health insurance provider to Blue Cross Blue Shield. He reminded the WDB that employees will see a 16-17% increase in health insurance premiums for 2017. He believes that employees are understanding of the increase.
- He also indicated that he is almost certain that we will see a state government shutdown on July 1st, 2017. Randy discussed that nonprofit organizations took big hits last time and if a state shutdown happens, it may be for several months. Randy commented that a state shutdown would stretch WDI's resources and could result in staff layoffs and even the closure of the organization. He stated that Minnesota Family Investment Program (MFIP) and Temporary Assistance for Needy Families (TANF) payments should not be affected and would still be paid to the counties during a shutdown. However, programs like State Dislocated Worker Program (DWP) and Minnesota Youth Program (MYP) would shut down. Randy specified that it is difficult to determine what will happen in regards to the federal government. He noted that they have a short-term continuing resolution, which may be moved ahead until March as the new congress has not been in. Randy discussed that if the new congress can find agreement in short-order, it is possible that they would move ahead "as is" to October 1st, 2017, when the new budget year starts. However, a federal government shutdown is not out of the question on October 1st.

One-Stop Consortium – Wayne Stenberg

- Wayne reported that the group had a good discussion on Workforce Center challenges and opportunities. Nancy Hoffman from Experience Works indicated that she lost grant funding for her program. She indicated that this may be her last WDB meeting; she should know by January. Randy asked Nancy to come to the January WDB so that we can formally acknowledge her and the time she has spent on the WDB.

Sector Reports

Emerging Workforce/Youth – Kris Pierce

- Kris indicated that guest speakers, April Schnell from the Department of Education and Val Kvale from WDI-Albert Lea office, gave presentations about Minnesota Youth Apprenticeship Programs. The sector also discussed out of school youth (OSY), and the group was tasked with bringing ideas to the next meeting. The group also discussed the challenges in smaller communities with employers who may or may not want to participate in apprenticeship programs.

MaxAbility Employment – Guy Finne

- Guy discussed that there will be a training for employers next Monday the 6th. Autism is the theme, and Jonah Weinberg from the Autism Society of Minnesota will be giving a presentation. There will also be a Mayo Clinic employee who is on the spectrum co-hosting the meeting. Guy indicated that there is still time to sign up for the training via the Rochester Area Chamber of Commerce website. He also discussed that all of the 2017 meetings are scheduled for the MaxAbility Sector, and topics have been identified.

Salute Southern MN – Veterans Network – Guy Finne

- Guy reviewed the mission of Salute Southern MN. He indicated that the group is hoping to close the gap between veterans and job opportunities. Guy reported that the committee has been meeting for six months. The group held an employer engagement event on November 16, 2016, that was well attended. Guy indicated that ten employers have signed up to be on the Steering Committee. Guy noted that the next Steering Committee meeting will be on Wednesday, December 7th at 7:00am.

Racial Equity (Diversity and Inclusion) Work Group – Julie Nigon

- Julie reported that the work group discussed the fears of undocumented immigrants and their families. She indicated that WDI received an equity grant that will support the Karen/SE Asian Population in Mower and Freeborn counties. The work group also talked about the Bridges to Healthcare Program. Funding for the program ends on June 30, 2017. There was a discussion on efforts to keep the project going and opportunities for funding. The work group talked about the Southern MN Initiative Foundation and some of their initiatives. Specifically, one of their initiatives is doing an inventory of current minority owned businesses. The group also discussed the need for finding employers who will hire diverse workers. We should be looking at bringing in employers, but not just in Rochester.

Formerly Incarcerated (Diversity and Inclusion) Work Group – Lonnie Otterson

- Lonnie discussed that the work group is focusing on three key areas: 1) identifying employers in our geographic region who are ex-offender friendly; 2) mentoring those ex-offenders who are returning into our workforce from state incarceration; and 3) educating offenders while they are incarcerated to utilize WDI for long-term support and relationships in the workforce. He indicated that there was a training

held two weeks ago on the topic of re-entry employment. Lonnie indicated that the training was beneficial and that he would highly recommend it to others.

Women in Non-Traditional Employment (Diversity and Inclusion) Work Group – Vicky Koehn

- Vicky noted that the work group is working on identifying the overall purpose of the committee. They talked about identifying ways to reach out to women to get more results. They decided that it would be beneficial to start with a youth audience. Vicky noted that they had a guest speaker from Assisi Heights give a presentation. Of note, they have a group that meets called “Women on Wednesday.” Assisi Heights is also having an International Women’s Day in March 2017, and they are looking for women to sit on a panel to discuss non-traditional jobs. She also discussed that there may be an opportunity for this work group to be featured in the Rochester Women’s Magazine.

Director’s Report – Randy Johnson

Workforce Development Fund – Revamping Its Structure and Purpose

- Randy mentioned that our Regional WIOA Plan needs to be re-submitted. He went on to discuss the Minnesota Workforce Development Fund, which is a special account that was originally set up to be dedicated to dislocated workers. The money is collected from employers as a special tax on wages and then deposited in a state treasury account. Randy reports that almost half of the fund is going for things other than dislocated workers. Randy stated that he is working with the Department of Employment and Economic Development (DEED) on this issue, as there are many organizations in the Twin Cities Metro area that would like to take over this fund for things other than what it was originally meant for. He commented that sometimes this becomes an issue between rural, out-state Minnesota and the Twin Cities Metro areas. Randy noted that this is a big discussion. He reported that he has a meeting set up on December 8th to talk with our Deputy Commissioner about this fund, what our WIOA Regional Plan says, and how to deliver our suggestions to the Governor on the 12th.

Upcoming Open Houses with Legislators

- Randy reports that we have meetings with legislators set up in December at the majority of our WDI sites including Rochester-12th, Austin-13th, Caledonia and Preston-15th, Red Wing-16th, and Faribault and Owatonna-19th. He has not been able to set up Albert Lea yet. He will be inviting county commissioners, WDB members, lead staff, and local legislators.

Career Pathways Development Progress

- Susan Boehm discussed that WDI was approached by Comuidades Latinas Unidas en Servicio (CLUES), a nonprofit organization from the Metro area. CLUES was awarded a \$1.5 million equity grant, of which 50 percent is required to be spent in Greater MN. We met with CLUES representatives who indicated that they would like to focus on the Latino community and other diverse populations; with the goals of providing English as a Second Language (ESL) and soft skills and getting them started on career pathways. We had three separate meetings with CLUES representatives regarding the possibility of career pathways in Ag/Food Processing, Human Services/Clerical, and Finishing Trades. After the first round of meetings, the group has decided to focus on the Human Services/Clerical and Finishing Trades, with Ag/Food Processing at a later time.

Information Sharing (MnSCU/Business Service Specialists/WDI Area Managers)

MN State Colleges and Universities (MnSCU)

- Dorothy Duran – Dr. Duran talked about Charting the Future, an effort introduced by Chancellor Rosenstone. The effort involves thirteen teams of faculty and staff working on transfer pathways, from the two year to four year institutions, to make it as seamless as possible. This year he has been focusing on inclusiveness and equity for all people. Because of the cost of higher education, Chancellor Rosenstone’s goal is to raise \$50 million over two years to be applied towards scholarships to help students. On November 15th, the Chancellor presented a new financial sustainability plan to the MN State Board of Trustees on how colleges can work more efficiently. Nineteen colleges have to produce recovery plans and eleven have been asked to create enrollment plans because college enrollments have dropped so significantly. MnSCU is looking at how to be more creative in reaching out to incumbent workers and high school students. The college presidents have been asked to reach out to legislators in an effort to change the funding.

Business Service Specialists

- Vicky Koehn – Vicky announced that there is a Job Fair in Owatonna on December 14th. She reported that 80 employers have signed up. Jen Bauer (Job Service-DEED) is working on the event. Vicky

reported that businesses are coming from further away for the job fairs. Businesses are also being asked to consider job seekers who are formerly incarcerated for employment opportunities.

Area Managers

- Wanda Jensen – Wanda reported that five WDI Data Intake Specialists applied for the MIS Registered Apprenticeship. The applications were reviewed today by an Apprenticeship Committee including Wanda, Michelle Breamer, and Jakki Trihey of WDI and the following WDB members: Mike Haney, Jean Larson, Kris Pierce, and Holly Zuck. Three applicants were chosen to move forward and will start the apprenticeship in January 2017.
- Dallas Groten – Dallas will be retiring from WDI on January 6, 2017, after nearly 27 years of service. Randy Johnson congratulated Dallas and mentioned that he will be greatly missed.

Next Meeting

The next meeting is on Thursday, January 5th, 2017.

Mike Haney moved to adjourn the meeting. The motion carried, and the meeting was adjourned.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

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

From: 1-Jul-16 Thru: 30-Nov-16	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	605,913	31.3%	1,938,149
Youth Employment & Training	413,951	37.7%	1,098,374
Dislocated Workers	712,379	37.9%	1,877,713
Reading Recognition	1,571	13.8%	11,400
	<u>1,733,814</u>	<u>35.2%</u>	<u>4,925,636</u>
Fees for Service/Other:			
Welfare Reform	966,500	32.4%	2,978,548
Custom Training	0	0.0%	2,000
Donations	3,999	40.0%	10,000
	<u>970,499</u>	<u>32.5%</u>	<u>2,990,548</u>
Total Recognized Revenues	<u><u>2,704,313</u></u>	<u><u>34.2%</u></u>	<u><u>7,916,184</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	29,588	0.0%	0
Unallocated Indirect Costs	76,090	0.0%	0
	<u>105,678</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>2,809,991</u></u>	<u><u>35.5%</u></u>	<u><u>7,916,184</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-16 Thru: 30-Nov-16	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	1,343,284	38.4%	3,495,833
Payroll taxes & benefits	428,903	38.5%	1,114,557
Subcontracted services	105,698	32.7%	323,645
Staff development/conferences	46,121	92.2%	50,000
Travel	42,778	41.4%	103,440
Board expenses	5,689	30.7%	18,500
Telephone	22,301	40.2%	55,500
Postage	3,316	19.0%	17,500
Utilities	17,939	35.9%	50,000
Marketing	5,222	40.2%	13,000
Dues and subscriptions	5,392	27.0%	20,000
Auditing & legal fees	2,153	10.8%	20,000
Maintenance	37,051	48.1%	77,000
Rent and occupancy	164,259	41.6%	395,000
Insurance	7,628	42.4%	18,000
Supplies and other	31,683	27.3%	116,194
Equipment	5,832	29.2%	20,000
Equipment rental	42,261	42.9%	98,600
Classroom training	311,522	33.3%	935,384
Participant support	132,009	18.4%	716,866
OJT contracts/wage subsidy	10,131	12.8%	79,000
Participant Wages	36,478	23.0%	158,569
Participant Fringe	5,287	23.7%	22,297
Other training expenses	0	0.0%	12,300
Workforce Center Partner Billing	-2,947	19.64%	-15,000
	<u>2,809,991</u>	<u>35.50%</u>	<u>7,916,184</u>