

JOINT POWERS BOARD

March 7, 2018, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Dan Belshan (Chair), Randy Johnson (Executive Director), Brian Ashton, Rick Gnemi, Bill Hahn, Wanda Jensen, Cheryl Key, Teresa Walter, Jill Miller (Note Taker)

Dan Belshan called the meeting to order. A quorum was not established; only four Joint Powers Board (JPB) members were present. Due to the absence of a quorum, approval of the March agenda and November meeting minutes was deferred to the next JPB meeting on May 10, 2018.

Audit Presentation/Fiscal Report – Brian Ashton

- Audit Presentation: The audit is complete for Fiscal Year 2016. A summary of the audit from Hawkins Ash CPAs, LLP, was presented to the Workforce Development Board (WDB) in January. Workforce Development, Inc. (WDI) had two sets of audits going on simultaneously; a financial audit of funds and a governmental audit of programs. In both instances, we had clean, unmodified opinions. Our audit covers over 60 different programs in ten counties. The financial audit showed a reduction in both revenue and expenses for this fiscal year, as compared to last year. It was the auditor's opinion that our financial statements represented the organization fairly in all aspects. All files looked great, and the audit findings indicated no material weakness, no internal control findings, no adjusted entries, and no questioned costs. Brian indicated that we have one more year left with Hawkins Ash, CPAs, LLP. Every three years, we put out a Request for Proposal (RFP) to secure an auditor who can perform 501(c)(3) audits for the following three years. Dan Belshan recognized Brian Ashton and staff for their excellent and thorough work. Due to the absence of a quorum, approval of the final audit report was deferred to the next JPB meeting.
- Fiscal Report: (Attachment A) Brian stated that there have been several changes to the budget since the last reporting period. We received \$2,022 in Workforce Innovation and Opportunity Act (WIOA) Adult – PY15 funds, which were reallocated PY15 resources from the Winona County Service Area; in addition, we received \$2,550 in WIOA Dislocated Worker (DW) PY15 funds. He noted that we received a Higher Education Career Advisor Project (HECAP) Grant of \$23,625. This State grant is a \$63,000 grant and will be used for youth staff work. We have a subcontract with Minnesota Valley Action Council for Quad/Graphics. We received \$2,750 for the Early Readjustment Assistance Grant (ERAG) portion of the funding. The total Quad/Graphics Grant is for \$88,000 through December 31, 2019; in which we will use \$40,000 this Fiscal year. Additional resources could be available if enrollments exceed what we are estimating. We received the SE Asian Equity Grant for PY17-18 in the amount of \$80,000. The grant is for \$200,000 and runs through June 30, 2019. It is likely that we will extend that grant by about six months. Since the Fiscal Report was run, we received a Labor Education Advancement Program (LEAP) Grant of \$20,000 and a Youth Support Services Grant of \$44,000. Brian indicated that we are 67% of the way through the year and 57% expended. He stated that our budget is just over \$7 million.
- Functional Expenses: Brian noted that we are two-thirds of the way through the Fiscal year; functional expenses should be at 67%. Salaries and fringe run a month behind; which should be at 58%. We are about 2% over on salaries and fringe. Brian indicated that we are hopeful that the Department of Employment and Economic Development (DEED) Pathways to Prosperity (P2P) Grant applications we submitted will be funded and correct this issue. We recently paid for Global Career Development Facilitator (GCDF) training for nine staff, which is reflected in the staff development/conferences line item. For the classroom training line item, we have \$100,000 in vouchers that have been written for Spring semester. Brian stated that we will have adequate resources for the summer session. The On-The-Job (OJT) training/wage subsidy line item is running behind due to lack of employer participation. Due to the absence of a quorum, approval of the Fiscal Report was deferred to the next JPB meeting.

Program Reports

Dislocated Worker – Bill Hahn

- Bill reported that we put in a request to extend the Bard Medical grant to an end date of December 31, 2018. There was a monitor visit at WDI yesterday for the Bard Medical grant. Bill indicated that some of the training is funded by the Trade Adjustment Assistance (TAA) program, as some positions went to Mexico. The grant is continuing to provide funding for those people who are going to school or training. Bill noted that the State would like 30% of the money spent for training.

- He indicated that we currently over-enrolled in the State Dislocated Worker (DW) Program; this will be fine because training dollars are lagging behind. WDI submitted a proposal to the Minnesota Job Skills Partnership (MJSP) for an additional \$50,000 for training, which will help with summer school. Bill will be at MJSP on Monday to give a presentation.
- WDI currently has 24 people enrolled in the Quad/Graphics grant. We have enrolled a few that originally enrolled in Mankato. We will get additional money for the Quad/Graphics grant.
- Bellisio Foods in Austin will be closing. WDI notified the Department of Employment and Economic Development (DEED) of the closing in early February. There are 105 regular employees and 75 employees employed through employment agencies. DEED sent out a Broadcast E-mail about the closing on February 9th, and WDI was informed on February 12th that there is competition for the project. Bill indicated that the competition is a company out of the Twin Cities. Because of the competition, we cannot contact Bellisio Foods or its employees until their process plays out. Both WDI and the competition will give a presentation to an Employee Management Committee, and they will chose which group will be awarded the project. Bill talked via e-mail with DEED Rapid Response, and we should be able to visit with the committee by the end of next week. The facility closing date has now changed from April 9th to April 26th, 2018. There are Job Fairs planned for April 10 and 12, 2018, for employees.

Youth – Randy Johnson

- Randy announced that we received a new DEED Support Services grant to fund a collaborative program between Red Wing Youth Outreach and WDI. The grant will provide independent living skills, mentoring, work readiness training, and work experience with youth and young adults throughout Goodhue and Wabasha counties. The program will be called Emerging Leaders. Total funds are \$88,000, with a target of serving 55 youth.
- A handout was provided on the Minnesota Youth Program (MYP) Performance Outcomes. State outcomes show that enrollments keep increasing. The MYP serves a high percentage of at-risk youth who are under-represented in the workforce.
- Randy reported that Jinny recently submitted for a Department of Human Services grant to serve homeless youth.

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

- Wanda reported that all of our 2018 county welfare contracts are in place. We were recently awarded a two-year contract with Rice County. We carved off some money to contract some services with the Somali Community Re-Settlement in Faribault to provide culturally-specific job search classes, as well as interpreting. We will have a Contract for Vendor Services with that organization. This will start this week.
- She also shared a handout on WDI 2017 Program Performances for all programs. Wanda discussed that we are now seeing starting wages over \$10.00; averaging about \$12.50, which helps our customers. Average hours are still at about 30/32 hours/week. She reported that an innovative thing they are doing in Houston County is putting together an employer consortium to address childcare and come up with ideas on how to support local childcare providers.
- Randy noted that we submitted applications for \$3.4 million in Pathways to Prosperity (P2P) grants; which included six grants targeting under-represented people. The grants would be used to do creative things with businesses, such as establishing career pathways and developing short-term training, in an effort to get these targeted groups into jobs.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- WIOA standardized outcomes were discussed. Randy indicated that 16 WDBs in Minnesota and 10 other independent organizations were evaluated for program performance. He stated that the report shows that WDI met all of our performance goals and serve people well, in addition to keeping customer files clean. He noted that WDI does not have the county welfare contract in Steele County, and we have no funding to keep the Steele County WorkForce Center open. We may need to close the WDI Owatonna office next year if we do not get the MFIP/DWP contract in Steele County.
- Randy brought attention to the Winona County Workforce Council's standardized outcomes. As Winona County is a part of our Regional WIOA Alliance, we would like to share information and offer support to the county. He will reach out to Winona County Commissioner, Marcia Ward, and invite her to our next JPB meeting in May.

Director's Report – Randy Johnson

Legislative Update

- State: Randy stated that he serves on a State legislative committee that is working on redrafting legislation to move money out of the State Workforce Development Fund (WDF) and allow local WDBs to make more decisions on how the money is spent. The fund is at an estimated \$58 million a year. Randy spoke with Senator Jeremy Miller from Winona who chairs the legislative committee this morning. Next Wednesday, the redrafted bill will be heard in the Senate; it was already heard in the House. The legislative committee is proposing to move two-thirds of that money to the local WDBs for their dispensation. We would keep money to continue the work we have

been doing, as well as put some of the money out for bid. Randy shared that the goal is to have increased flexibility, access to the money, and local control of the funds. Although local control of the WDF may not occur this year, he will continue to work on it.

Regional WIOA Alliance Report

- The Regional WIOA Plan will need to be redone this spring.

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. We submitted for \$3.4 million in grants. WDI is hoping to hear from DEED next month and to be awarded at least half of the money that was requested. If we get funded, we will have enough money for next year. Our goal is to keep all ten WDI offices open. However, if we do not get funding in the next month, we will need to drastically cut back to part-time hours or even close the Owatonna office. We may also need to consider merging some of WDI's smaller offices or moving them to part-time offices in the next year.

Next Meetings

- May 10 and June 14, 2018.

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: 28-Feb-18	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	877,266	51.3%	1,710,857
Youth Employment & Training	653,225	56.5%	1,155,468
Dislocated Workers	897,617	57.0%	1,574,362
	<u>2,428,108</u>	<u>54.7%</u>	<u>4,440,687</u>
Fees for Service/Other:			
Welfare Reform	1,532,944	57.2%	2,681,000
Custom Training	625	12.5%	5,000
Donations	8,990	179.8%	5,000
	<u>1,542,559</u>	<u>57.3%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u><u>3,970,667</u></u>	<u><u>55.7%</u></u>	<u><u>7,131,687</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	22,767	0.0%	0
Unallocated Indirect Costs	89,188	0.0%	0
	<u>111,955</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>4,082,621</u></u>	<u><u>57.2%</u></u>	<u><u>7,131,687</u></u>

Changes Since Last Report:

WIOA Adult - PY15	2,022
WIOA Disl Wkr - PY15	2,550
HECAP	23,625
Quad Graphics - ERAG	2,750
Quad Graphics	40,000
SE Asian Equity - PY17-18	80,000
Total Change	<u><u>150,947</u></u>

ATTACHMENT A**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-17 Thru: 28-Feb-18	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	1,905,835	59.9%	3,183,554
Payroll taxes & benefits	609,870	59.9%	1,017,953
Subcontracted services	99,365	28.7%	346,318
Staff development/conferences	31,412	83.8%	37,500
Travel	50,436	59.1%	85,300
Board expenses	7,185	47.9%	15,000
Telephone	37,598	70.9%	53,000
Postage	7,649	63.7%	12,000
Utilities	32,382	72.0%	45,000
Marketing	3,279	27.3%	12,000
Dues and subscriptions	14,783	82.1%	18,000
Auditing & legal fees	18,265	87.0%	21,000
Maintenance	44,016	53.0%	83,000
Rent and occupancy	271,705	66.3%	410,000
Insurance	12,165	64.0%	19,000
Supplies and other	64,929	66.2%	98,108
Equipment	6,594	65.9%	10,000
Equipment rental	61,643	44.9%	137,228
Classroom training	536,790	54.1%	992,464
Participant support	162,894	48.3%	337,059
OJT contracts/wage subsidy	11,932	20.1%	59,453
Participant Wages	76,016	61.4%	123,862
Participant Fringe	10,794	57.1%	18,889
Other training expenses	7,521	94.0%	8,000
Workforce Center Partner Billing	-2,436	20.30%	-12,000
	<u>4,082,621</u>	<u>57.25%</u>	<u>7,131,687</u>