

SE MN Workforce Development Board

June 1, 2017, 2:00 PM

Workforce Development, Inc.
Rochester, Minnesota

Minutes

Members Present: Randy Johnson (Executive Director), Jeff Custer, Jean Larson, Dave Niermann, Julie Nigon, Lonnie Otterson, Jerry Reinartz, Dee Sabol, Diane Simon, Wayne Stenberg, Andy Toft, Tami Walker, Jill Miller (Note Taker)

Others Present: Susan Boehm, Beth Christensen, Sonji Davis, Wanda Jensen, Jeff McCabe, Kolloh Nimley, Mike Postma, Jakki Trihey, David Wheeler

Diane Simon called the meeting to order. **A quorum was not present. The June agenda and May meeting minutes were reviewed, but no action vote was taken.**

Program Reports

Management Committee – Diane Simon

- **Fiscal Report: (Attachment A)** Diane reported that we are on track to end the year at the forecasted revenue; however the budget is fairly tight. Our annual budget is just under \$7.9 million. We should finish the year at a projected annual budget of approximately \$7.1-\$7.2 million. **As a quorum was not present, the Fiscal Report was reviewed, but no action vote was taken.**

Personnel Committee – Diane Simon

- Diane reviewed that Employee Benefits Committee proposed changing the Workforce Development, Inc. (WDI) policy to include Christmas Eve as an observed holiday every year. Currently, WDI employees work on Christmas Eve two out of seven years. **The action item was reviewed; however, a quorum was not present. A poll was taken by those in attendance, and all 11 members voted to approve.** The Workforce Development Board (WDB) will plan to have a conference call to give other WDB members the opportunity to vote on this Personnel Committee request.
- Diane summarized that the Employee Benefits Committee also requested a 3% wage increase pool for all WDI employees and \$20,000 for merit incentive pool. The cost to WDI would be \$99,500. Randy Johnson explained the merit incentive pool. **The action item was reviewed; however, a quorum was not present. A poll was taken by those in attendance, and all 11 members voted to approve.** The Workforce Development Board (WDB) will plan to have a conference call to give other WDB members the opportunity to vote on this Personnel Committee request.

Youth Program Plan Approval – Randy Johnson

- There were no program numbers to provide, so this item was tabled.

Adult and Dislocated Worker Plan Approval – Randy Johnson

- There were no numbers to provide, so this item was tabled.

One Stop Operating Partners – Randy Johnson/Wanda Jensen

- **Designation of Comprehensive WorkForce Centers and Affiliate WorkForce Centers**
Randy reported that Wagner-Peyser funding is down for the Department of Employment and Economic Development (DEED) Job Service. He shared that DEED regulations state that three physical partners (WDI, DEED Job Service, and Vocational Rehabilitation Services (VRS)) have to be located at a WorkForce Center in order to certify it as a comprehensive WorkForce Center (WFC). The DEED Job Service has had long-term leases with the WorkForce Centers. However, by July, DEED will only be paying half of the money for the leases. DEED is not renewing leases at the Austin, Albert Lea, Red Wing, and Owatonna WFCs. Our memorandum of understanding (MOU) states that even if there is not a signed lease, the partner can pay a fee to visit the WFC if the partner is visiting the office on a regular basis. Randy recommended that we should continue to have full, comprehensive WFCs in Austin, Albert Lea, Faribault, Red Wing, and Rochester. Additionally, we should start the process of decertifying the Owatonna office from a comprehensive office to an affiliate office. As a result of decertifying the Owatonna office, we will be able to look at other resources to save money. Specifically, Randy reported that WDI will save money on internet hook-up fees, as there will now be a cap of \$600 per computer, split between WFC partners. He noted that the Management Committee voted to move the recommendation forward to the WDB. **The action item was reviewed; however, a quorum was not present. A poll was taken by those in attendance, and all 11 members voted to approve.** The Workforce Development Board (WDB) will plan to have a conference call to give other WDB members the opportunity to vote on this action item.
- Wanda indicated that the One Stop Operating Consortium, made up of DEED Job Service, DEED VRS, and WDI ended up bidding on the Request for Proposal (RFP) to fulfill the function of a One Stop Operator. Our auditor

collected bids, and a community committee was formed to review and score submissions. The committee recommended that the WDB One Stop Operating Consortium be the One Stop Operator for all of SE Minnesota. The Joint Powers Board (JPB) approved this recommendation at their May 11th meeting. Wanda shared that we will plan to move forward with the written non-financial contract, comprising of all three partners of the WDB One Stop Operating Consortium. The Joint Powers Board (JPB) will receive a signed copy of the executed contract at the June 8th meeting.

- Wanda stated that we have full, comprehensive WFCs in Austin, Albert Lea, Faribault, Red Wing, and Rochester. Wanda, Dave Niermann, and Jay Hancock met as a group with each of the five WFCs this morning to review cost allocation plans to ensure that they were correct. The group acknowledged and approved the plans. The cost allocation plans will get forwarded to DEED. Wanda reported that she and Dave Niermann will work on setting fees for each of the five comprehensive WFC offices. The Memorandum of Understanding (MOU) identifies the partner responsibilities, includes the cost allocation plan piece, and spells out what services are to be provided at a One Stop WFC. Wanda reported that the MOUs for each of the five WFCs were reviewed and necessary changes were made. She stated that the group will get the MOUs out to all the partners to sign.
- Julie Brock will be the new DEED Regional Workforce Strategy Consultant. Jay Hancock from Vocational Rehabilitation Services (VRS) has made a recommendation for hiring the replacement of Sarah Gutzman as the new VRS manager. He also shared that VRS is experiencing high caseloads due to the extra annual contact and career counseling that is required with any individual working in a subminimal wage job. This has greatly impacted their work. Julie Nigon gave an update on her trip to Cambridge, Massachusetts with Michelle Pyfferoen. Julie reported that over 500 projects were submitted, and the Bridges to Healthcare Program was one of seven finalists for the Harvard Innovations in American Government Award. Julie stated that she and her team experienced intense questioning, yet she felt that the commission did not seem to understand the project. The Bridges to Healthcare Program did not win, but will receive an award of \$10,000. Dave Niermann reported that he is continuing to work on a replacement for the Winona Workforce Development Board Executive Director.

Sector Reports

Emerging Technology and Economic Development – Jeff Custer

- Jeff reported that there was not a quorum. He discussed that Kevin Bright from the Destination Medical Center (DMC) Economic Development Agency provided the group with an update on construction and the projects that are next in line for DMC. Jeff reported that Randy had some excellent questions for Kevin about what they are doing to prepare for the labor shortage, especially in support staff. Randy is hopeful that the agency will continue to work with WDI on a regular basis and take advantage of our services.

Healthcare – Julie Nigon

- Julie shared that the committee received the completed Nursing Shortage Solutions (NSS) Taskforce report. Having provided a final report, the NSS Taskforce is now dissolved. The group read through the report and discussed the next steps. Kolloh Nimley gave a brief presentation on the International Medical Graduate (IMG) Assistance Program. She has finished her first full year with them. There are 16 people ready to apply for residency; the application process starts June 6th. Seven participants are entering their residency programs. Kolloh discussed the residency preparatory program for international medical graduates offered through the University of Minnesota. Savita Katarya talked about the Mayo Phlebotomy Training Program. Four Hawthorne students in the program graduated last week and were hired. The next cohort started on Monday. Three Hawthorne students were accepted into the Phlebotomy Program. Seven other Hawthorne students have applied for the August cohort.

Manufacturing – Sonji Davis

- Sonji reported that there was not a quorum. The State of Manufacturing Survey results from Enterprise Minnesota recently came out. Sonji attended both of their events, one in the Twin Cities and one in Steele County, to get an idea of some of the differences between those two areas. Sonji and Diane Simon reviewed Sonji's notes from both of the meetings and discussed similarities that Diane can relate to in the manufacturing sector.

Services and Trades – Wayne Stenberg

- Wayne stated that there was a quorum. He discussed that Susan Boehm gave an overview of the Latino Carpentry Apprenticeship. The group reviewed the positives and negatives of the program. There was also a discussion about apprenticeships and the opportunities available. Mike Postma gave an update on service jobs in the Austin and Albert Lea areas. He reported that they are seeing a real struggle in food service, as there is a growing shortage of line cooks.

Director's Report – Randy Johnson

Legislative Update

- Randy shared that the State legislative session is done, and it appears that we avoided a State shutdown. He reported that WDI is level funded for both the Youth and YouthBuild Programs. WDI received a \$100,000 Youth Program grant this morning. Randy commented that we received a new appropriation of \$250,000 for the Bridges to Healthcare Program in Rochester. He reported that \$18.9 million of the total Workforce Development Fund (WDF) was left for Dislocated Workers; a 20% cut. Randy stated that the State does not have a plan for workforce development. There are no reporting requirements for the money that is appropriated. This is a biennium budget, so there will not be another opportunity for change for two years. At the Federal level, we are level funded until October 2017.

SE MN Strategic Planning Meeting & Luncheon – August 3rd

- The WDB, the JPB, and the Winona Workforce Board are invited to the meeting, as well as legislators. Randy is also hopeful that a couple of members of congress will join us. He stated that this will be a transition year. He reported that WDI needs \$1,500,000 in additional/unique or competitive grants to be secured in the next Fiscal year. We already have already received a Bremer Foundation grant for Bridges to Healthcare in the amount of \$125,000, the Bridges to Healthcare State DWF appropriation of \$250,000, \$185,000 from Hennepin County for public sector career pathways, and the \$100,000 Youth Program grant. The remaining amount could materialize via newly acquired Pathways to Prosperity (P2P) career pathways competitive grants, a dislocated worker grant this fall for workers of Streater, LLC, in Albert Lea, and/or a Foreign-Trained Healthcare Workers (FTHW) grant. He commented that we avoided a state shutdown on June 1, but there will be a lot of important decisions to make in the coming year.

WDI's Notable Accomplishments

- He summarized WDI's Notable Accomplishments for 2016-2017. WDI served 4,790 adults, placing over 2,800 in living wage jobs, and helped 500 youth gain employment and work maturity skills. WDI averaged a return on investment of \$5.19 for the past year. WDI increased racial diversity of WDI staff from 5% to 19% in the last three years. WDI also increased the racial diversity of program enrollees to 37%. Randy, WDI staff, and Board members assisted in the development and support of taskforces and work groups that serve job seekers and employers related to those with disabilities, veterans, and ex-offenders. Randy stated that it was a good year, and we served a lot of people. Tami Walker thanked Randy for the legislative updates he sends out to WDB members by e-mail.
- Randy mentioned that Adult Basic Education (ABE) will be a part of a Request for Proposal (RFP) process for Federal ABE Integrated English Literacy and Civics Education (IELCE) funding. The WDB has been asked to review proposals for those ABE applicants who reside within our Workforce Development Area (WDA) boundaries. WDB members, Dee Sabol, Tami Walker, and Wayne Stenberg volunteered to be on the Review Panel. The Review Panel will tentatively plan to connect via a conference call to discuss the applications. Jill Miller will coordinate the call details with the Review Panel members and Randy. The deadline for submission of review forms is June 22, 2017.

Information Sharing

MnSCU

- Jeff McCabe (South Central College) – Jeff shared that MnSCU is looking at ways to establish more partnerships between the 37 colleges and universities in Minnesota. South Central College is receiving \$1.8 million to help with some of their funding. South Central College got a bonding bill passed in the amount of \$9.8 million for the health sciences including nursing, Emergency Medical Services (EMS), and the Science, Technology, Engineering, and Math (STEM) at the college in Mankato. Jeff is working on the MN Job Skills Partnerships. There is a signing ceremony on Tuesday of next week with a subsidiary of Michael Foods. They have been awarded a \$366,000 grant, with a match, for programs to further develop employee skills.

WDI Area Managers/ Staff

- Sonji Davis – Sonji shared that MN Department of Education came to the Faribault Education Center in Rice County for a site visit. Sonji presented on the YouthPrise, Tri-City Bridges to the Future collaboration. The Steele County School-to-Work Youth Planner position will soon be posted. This individual will work part-time at the Owatonna High School and will also go into the community to meet with employers and work with the Steele County Chamber of Commerce. This position will be supported by the partnership between the Steele County United Way, the Steele County Chamber of Commerce, and WDI. Earlier this week, an employer advisory group met. Discussions centered around youth summer employment.

Jeff Custer adjourned the meeting.

Respectfully submitted,
 Jill Miller
 Workforce Development, Inc.

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

From: 1-Jul-16 Thru: 31-May-17	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	1,605,455	84.0%	1,910,543
Youth Employment & Training	928,350	84.5%	1,098,374
Dislocated Workers	1,277,984	68.1%	1,877,713
Reading Recognition	107,261	940.9%	11,400
	<u>3,919,050</u>	<u>80.0%</u>	<u>4,898,030</u>
Fees for Service/Other:			
Welfare Reform	2,398,918	80.5%	2,978,548
Custom Training	1,726	86.3%	2,000
Donations	4,759	47.6%	10,000
	<u>2,405,403</u>	<u>80.4%</u>	<u>2,990,548</u>
Total Recognized Revenues	<u>6,324,453</u>	<u>80.2%</u>	<u>7,888,578</u>
Unrecognized Revenues:			
Unbilled Welfare Reform	15,394	0.0%	0
Unallocated Indirect Costs	73,789	0.0%	0
	<u>89,183</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u>6,413,636</u>	<u>81.3%</u>	<u>7,888,578</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: 31-May-17	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	3,142,034	87.4%	3,595,682
Payroll taxes & benefits	1,003,618	87.6%	1,145,487
Subcontracted services	190,217	68.7%	276,734
Staff development/conferences	64,704	92.4%	70,000
Travel	87,116	90.8%	95,940
Board expenses	11,310	61.1%	18,500
Telephone	51,712	82.1%	63,000
Postage	9,947	71.0%	14,000
Utilities	59,499	92.2%	64,500
Marketing	8,585	78.0%	11,000
Dues and subscriptions	12,717	70.6%	18,000
Auditing & legal fees	19,358	96.8%	20,000
Maintenance	72,329	81.5%	88,700
Rent and occupancy	361,993	91.2%	397,000
Insurance	16,465	91.5%	18,000
Supplies and other	86,270	84.1%	102,599
Equipment	5,832	58.3%	10,000
Equipment rental	86,249	91.2%	94,600
Classroom training	739,179	85.3%	866,411
Participant support	280,887	42.5%	661,260
OJT contracts/wage subsidy	17,665	22.4%	79,000
Participant Wages	84,790	53.5%	158,569
Participant Fringe	12,293	55.1%	22,297
Other training expenses	1,513	12.3%	12,300
Workforce Center Partner Billing	-12,644	84.29%	-15,000
	<u>6,413,636</u>	<u>81.30%</u>	<u>7,888,578</u>