

# SE MN Workforce Development Board

September 1, 2016, 2:00 PM

Workforce Development, Inc.  
Rochester, Minnesota

## Minutes

**Members Present:** Guy Finne (Chair), Randy Johnson (Executive Director), Adenuga Atewologun, Neva Beier, Jeff Custer, Brandon Dansie, Tim Gabrielson, Cheryl Gustason, Sarah Gutzman, Mike Haney, Russell Hess, Nancy Hoffman, Jean Larson, Lonnie Otterson, Kris Pierce, Jim Root, Diane Simon, Andy Toft, Tami Walker, Marcia Ward, Jill Miller (Note Taker)

**Others Present:** Christine Bauman, Susan Boehm, Beth Breuer, Sonji Davis, Dallas Groten, Wanda Jensen, Savita Katarya, Kolloh Nimley, Mike Postma, Jinny Rietmann, Jakki Trihey

A quorum was present and Guy Finne called the meeting to order. **Mike Haney moved to approve the Agenda, Diane Simon seconded, and the motion passed. Mike Haney moved to approve the June and August Meeting Minutes, Diane Simon seconded, and the motion passed.**

### Introductions

Introductions of all in attendance were made. New Workforce Development Board (WDB) Members, Neva Beier and Sarah Gutzman, were introduced. Vera Ndumbe was not present.

- **Neva Beier**, (Social Services Manager) Fillmore County Social Services – Preston.
- **Sarah Gutzman**, (Rehabilitation Area Manager- Vocational Rehabilitation Services) - MN Department of Employment and Economic Development (DEED) – Rochester.
- **Vera Ndumbe**, (Director of Social Services) Spring Valley Senior Living – Spring Valley.
- Randy Johnson recognized Atewologun Adenuga (Dr. Nuga), President of Riverland Community and Technical College, for the wonderful job he has done representing the interests of Minnesota State Colleges and Universities (MNSCU) and higher education on the WDB for the past three years. Dr. Nuga will be stepping down from the WDB and another MNSCU leader will be appointed. An election is currently being held to select the new representative who will serve on the WDB beginning in October 2016.
- Jakki Trihey from Workforce Development, Inc. (WDI) was introduced as the new WDI Rochester Area Manager. Jakki has worked for WDI for the past 17 years, and brings a wealth of experiences to the position. Jinny Rietmann, the previous Rochester Area Manager, will now focus exclusively on Regional Youth Programming at WDI.

### Management Committee

- **Fiscal Report (Attachment A) – Brandon Dansie**  
Brandon reported that the new Fiscal year began on July 1, 2016. We are in good shape to start the year; everything looks good. **Budget:** Brandon pointed out that there are a few line items that appear to be higher than normal due to payments that happened to fall in the last two months. He stated that the budget may look out of balance, however it will even out as the year goes on. **Mike Haney moved to approve the Fiscal Report, Cheryl Gustason seconded, and the motion passed.**
- **Approval of Audit Selection – Wanda Jensen**  
Wanda noted that Brian Ashton sent out a request for proposals to a multitude of firms. She reports that Brian gathered quotes and did a comparison of those received. The WDI Fiscal Department decided to go with the bid from Hawkins Ash, the firm we have used for the past several years. The recommendation was presented to the Management Committee, and it was approved. Wanda stated that we are already deep into the audit. Randy Johnson commented that we have asked Hawkins Ash to complete the audit by December 31, 2016, with the final report presented in January 2017. **Mike Haney moved to approve the audit selection of Hawkins Ash, Jeff Custer seconded, and the motion passed.**
- **Approval of Slate of Officers – Randy Johnson**  
The slate of officers was presented to the Management Committee on August 4, 2016, and it was approved. The slate of officers for two-year assignments are: President - Guy Finne; 1<sup>st</sup> Vice President - Brandon Dansie; 2<sup>nd</sup> Vice President - vacant; Secretary – John Devlin; Treasurer – Roy Harley. Randy noted that the President is required to be from private business. **Comment:** Guy Finne recognized Jeff Custer, the outgoing WDB

President, for the wonderful job he has done. **Diane Simon moved to approve the Slate of Officers, Mike Haney seconded, and the motion passed.**

- **WDI Policy Letter for WIOA Training Programs and State Dislocated Worker Programs (Certification Process for Eligible Training Providers) – Randy Johnson**

Randy discussed that WDI has had an elaborate policy letter that lists approved Training Providers in our area. There are electronic listings of WIOA Certified Training Providers at the State and Federal levels. We are simplifying the letter and indicating that the approved training providers can be found on one of the electronic sites. He stated that WDI has identified a graphic design program out of the University of Wisconsin – Stout in Menomonie, Wisconsin. The program is a Bachelor of Fine Arts in Graphic Design and Interactive Media. The overall program is separated into two concentrations, Graphic Design or Interactive Media. Randy discussed that WDI has studied the outcomes of this program, and they are very satisfactory. The training provider is not currently on WDI's approved Training Provider List. One of our scholarship recipients will be entering that program, so WDI is requesting approval to add the University of Wisconsin – Stout to that list. **Mike Haney moved to approve the request to amend the existing policy letter and to add University of Wisconsin – Stout to the approved Training Provider List. Brandon Dansie seconded, and the motion passed.**

- Comment: Mike Haney commented that here in Southeast Minnesota, new training programs are being developed all of the time. Our WDB has the authority to provisionally approve the programs, without waiting for State or Federal approval. Mike reported that the Southeast Minnesota State Colleges and Universities (MNSCU) institutions have been very accommodating to employers and have been very responsive to us when we need a new training program set up. This allows us to approve the training program so WDI can go ahead and get the funding.

- **Personnel Committee – Diane Simon**

MN Department of Labor and Industry (DLI) Registered Apprenticeship for Workforce Development, Inc.'s (WDI) Internal Data Specialist Position

Diane discussed that WDI currently has employees in data specialist (WDI refers to as MIS Intake Specialist) positions. These positions were traditionally treated as secretaries years ago. The position is driven by measurements, and it is a very skilled position that requires a lot of training and tracking data. MIS Intake Specialists work hand-in-hand with the counselors. WDI currently has six employees in MIS Intake positions who could potentially apply for the apprenticeship. The apprenticeship requires 2,000 hours of on-the-job (OJT) training, 144 of classroom training, and 50 hours of safety training that is spread out over 18 months. Employees in the apprenticeship would receive wage increases during the program. Upon completion of the apprenticeship, the apprentice will receive a certificate and be registered with the DLI. Applicants will be required to fill out the apprenticeship application and then the application will go to an Apprenticeship Committee, which will include several Workforce Development Board (WDB) members, for review and selection of apprentice(s). Once the Registered Apprenticeship Application is finalized by WDI, it will move onto the DLI for their approval. Diane reported that both the Personnel and Management Committees approved the apprenticeship concept with the request that WDI determine if employees will be paid for training outside of regular work hours, confirm the apprentice's official job title after completion of the program, and determine if apprenticeship(s) is within budget.

- Question: Lonnie Otterson asked for clarification. Is WDI looking for additional training dollars to train existing WDI employees? Answer: Randy Johnson commented that WDI would use existing, internal administrative resources to pay employees during the apprenticeship. Upon completion of the program, the apprentice will lift their wage cap; we'll create another tier of wage compensation. WDI does not have a lane and step wage range concept. Randy commented that WDI has employees who have worked for the agency for 15-20 years, and they are about to be at the top of their current classification. This apprenticeship would raise the ceiling on their wage cap, but only if they take this additional training. The training is voluntary, and an applicant does have to be accepted into the program. There will be costs to the training, and WDI may not be able to afford to have all six employees in the apprenticeship at once. Randy stated that he would be really excited if we got three employees to take part in the apprenticeship this coming year. What the WDB is being asked to vote on is the apprenticeship concept.

- Comment: Guy Finne commented that the big benefit the other Committees saw was that this is a great career ladder opportunity.

- Question: Russell Hess remarked that the concept is a hot topic everywhere. He hasn't heard a lot about the clerical job principal, but WDI is "pushing the envelope and that is awesome." Typically in an apprenticeship, a Journeyworker would do the on-the-job (OJT) training. Does WDI currently have a Journeyworker(s) who would help do the OJT? Answer: Randy Johnson acknowledged that typically a Journeyworker does train an apprentice. However, since this is a new apprenticeship and we do not have

a Journeyworker for this position, the DLI stated that they will accept a person within our organization who has the qualifications and expertise to train the apprentice(s). Randy noted that WDI has an employee who has been leading the training for the past ten years and is by far the best. She will lead the training and go through the program alongside the other apprentices to become a Journeyworker.

- Comment: Andy Toft mentioned that the big thing is the OJT. He believes it is an interesting concept. Andy thinks it is a good idea because WDI will get a taste of what it takes and can pass that on. There is a big investment of time and money.
- Comment: Russell Hess commented that the true test to seeing if this was successful will come after the current WDI staff have gone through the apprenticeship. It will be interesting to see how many applicants have the qualifications and training needed to perform the job the next time we hire new staff.

**Mike Haney moved to approve the request for approval of the WDI Registered Apprenticeship concept, Cheryl Gustason seconded, and the motion passed.**

#### Executive Director's Annual Evaluation

Diane reported that we reviewed Randy Johnson's performance evaluation. It was very strong evaluation, and Randy does a great job for WDI. The Personnel Committee reviewed strong areas of performance and areas needing improvement. Randy's last wage adjustment was 1.5 years ago. Diane advised that Randy turned down a raise two years ago to put more into his healthcare, but this didn't materialize due to healthcare cost increases. Randy was given a wage adjustment effective January 1, 2015. In comparison to the average wage of Randy's workforce counterparts, Randy is falling behind. **The recommendation is a 4.5% wage increase and a 403(b) match of 6%.** This is the same 403(b) match that was approved for all WDI employees this year.

- Comment: Marcia Ward commented that her Winona County union members do not get that type of wage increase. Marcia also asked if the cost of living has increased. Answer: Guy Finne answered that one of the things the Management Committee took into consideration is that it has been 1.5 years since Randy's last wage adjustment. WDB approved a 3% wage adjustment for the entire WDI staff for one year, which takes us to 4.5%. Guy also noted that if the Board approves this, we take Randy to the average amongst his cohort two years ago.
- Comment: Mike Haney asked what the final dollar amount of Randy's salary would be. Answer: Diane Simon replied that it will be \$117,623. Comment: Mike Haney commented that the salary noted is not even close to the top compared to the wages of other Workforce Service Area (WSA) Directors in the State of Minnesota.
- Question: Kris Pierce asked why a wage adjustment was not made two years ago. Answer: Randy Johnson specified that he turned down a raise two years ago to put more into his healthcare. It turned out that this didn't materialize due to healthcare cost increases, so he was given a wage adjustment on January 1, 2015. Randy notes that he did not take a wage adjustment the next year.
- Question: Atewologun Adenuga asked if the wage adjustment is retroactive. Answer: Guy Finne replied that it is effective July 1, 2016.
- Comment: Brandon Dansie commented that this wage increase percentage may be higher than what he would offer in private business. However, he also said that a business needs to be competitive with wages, especially when it comes to leadership positions. Brandon discussed that at a Director level, he would take into consideration that wages are out of balance based on the seniority and responsibilities of peers.

**Motioned by Jean Larson to approve the recommendation of a 4.5% wage increase and a 6% 403(b) match for Randy Johnson, seconded by Atewologun Adenuga. Vote: 1 opposed. Motion carried.**

#### **One-Stop Consortium – Sonji Davis**

- Sonji reports that they met and discussed the purpose of the consortium, as there were three new people joining the group; Anne Willaert, Neva Beier, and Sarah Gutzman. Sonji noted that there was discussion about changes in WIOA. There was also a discussion about the America's Promise Grant. There were no new action items.

#### **Sector Reports**

##### Healthcare – Dallas Groten

- Dallas noted that Jim Root chaired the meeting. Kolloh Nimley was the guest speaker. Jinny Rietmann introduced Kolloh, who was recently hired at WDI to support immigrant health care professionals who have relocated to the US in obtaining licensure in their field of work. Jinny reported that WDI received a new round of funding for the International Medical Graduate (IMG) Grant. Kolloh discussed that the first IMG networking meeting is scheduled, with 40 people registered to attend. She has already met with 20-25 people at WDI.

Ten IMGs have taken the United States Medical Licensing Examination (USMLE) and are ready to put in residency applications, which are due September 15<sup>th</sup>. All ten IMGs need clinical experience.

- Dallas reported on the Nursing Shortage Solutions Taskforce that met today. The Taskforce is producing an ongoing report that will be in place by June. Dallas discussed that employers present at the meeting pointed out that the situation is fairly good and that they are able to fill CNA and LPN positions. However, retention is high and a big issue. The Taskforce talked about how retention is a strong part of recruitment. They also discussed the America's Promise Grant, which is a large federal grant that WDI has applied for. The grant has two different fronts, an overall grant that will serve the State of MN and a SE MN regional grant with an emphasis on healthcare. Misun Bormann and Sue Fields from HealthForce MN were at the meeting to discuss the Healthcare Core Curriculum.
  - Question: Guy Finne asked if there is any update on when we should hear from the America's Promise Grant. Answer: Jakki Trihey answered that we are hoping to hear in late October or early November.

#### Manufacturing – Kris Pierce

- Kris Pierce stated that the committee spent a lot of time talking about Local Skills Gap Initiatives from a business standpoint. The committee focused on two gaps. The first was the technical gap and how they can better partner with local colleges to help develop some of those programs earlier. Feedback received suggested getting more momentum at the high school level. The second gap talked about was basic life skills, such as commitment and attendance, and how they can get resources focusing on that. They also talked about the Tri-City Bridges Projects going on in Red Wing and Faribault. There was discussion on placement for individuals who are in correctional facilities, particularly those in the age bracket of 14-24 who are coming out with a GED education. The committee discussed how they can support and mentor those individuals from a manufacturing/business standpoint.

#### Services and Trades – Sarah Gutzman

- Sarah reported that the majority of time was spent talking about the Women in High-Wage, High-Demand, and Non-Traditional Occupation Grant. WDI will be applying for another round of training funds for women in these areas. Last year, the goal was 40 participants. The goal of 40 was not met, as 17 individuals qualified but could not participate because of defaults on student loans and childcare demands. The committee had a lot of conversations about how they can work with employers to help support women in overcoming those barriers. The committee also talked about how the grant targets women who are 50 and older, although it does not have to. Many of these jobs are physically demanding jobs that women in that population may not be a good fit for.

### **Director's Report – Randy Johnson**

#### Regional Discussion Recap

- As a background for this discussion, Randy stated that the Workforce Innovation and Opportunity Act (WIOA) passed in 2014. One of the requirements early on was that local Workforce Development Boards conduct regional workforce development planning. We signed a Regional Memorandum of Understanding, and our region was defined as the 11-county area of Southeast Minnesota, connecting the 10 counties that make up WDI and Winona County. The partnership consists of WDB officers or a local elected official from each WDB, along with the Executive Director of each Board. We have come together to formally establish a regional WIOA partnership, and have been meeting on a regular basis. Randy detailed the Regional Work Plan as follows: 1) to identify critical career pathways in the region, 2) to support regional K-12 schools with information and services for career planning and vocational education, and 3) to identify collaborative opportunities for outreach and employment support of diverse populations. He notes that we submitted a Regional WIOA Plan earlier this year, and received a letter back from the DEED with comments and a request for modifications.
- Randy advised that representatives from the MN Department of Employment and Economic Development (DEED) met with regional WDB officers today at WDI. He noted that we received compliments from DEED today, though Randy reports we have more to do. The themes that DEED has asked us to focus on are already laid out in our regional plan, with a special focus on racial and ethnic diversity. During the meeting, we had a discussion with DEED on blending together officers from our WDB and the Winona County WDB to make up a regional partnership. We had some concerns that we were being asked to create a whole new Regional Board. From the conversation today, Randy believes DEED is saying that it is acceptable in our SE MN Region to blend the WDBs together to form a regional partnership versus creating a whole new Regional Board.
- Randy reassured WDB members that we will get things sorted out and provide the documentation that is being requested. He stated that our region is doing something right, though it is going to be based on the energy that we bring to our work groups. He mentioned that it is not enough to state in the Regional Plan that we have put some interesting work groups together. Randy commented that the real work is done in the

committees and specifically in the work groups. Our plan will need to state that we have really ambitious work groups driven by Board members. Randy commented that it would be great for Board members to champion that.

#### August 4<sup>th</sup> Meeting Recap and Work Plans

- Randy reports that we put work groups together on August 4<sup>th</sup>. The groups created work plans, and we discovered that there were commonalities in all those work groups. We found that need to educate and engage businesses. Randy discussed that the next time we meet we will have work plans broken down and a future business education fair planned around the work group topics, with time tables and information on how Board members can participate.
  - Comment: Guy Finne remarked that we need the businesses there to help develop, support, and hire the folks. He believes it is really important to have that piece happen.

#### Best Places To Work Banquet

- Randy discussed the Best Places to Work project that we have promoted for a few years. We traditionally have 30-40 businesses involved. Randy stated that we should have many more than that involved. We recognize businesses that have taken the lead in recruiting people of different populations at a Banquet. Randy indicated that we need to go above and beyond to involve more businesses.

#### Next Meetings

- The next WDB Meeting is October 6, 2016.
- The next Regional Meeting will happen in the next month. The officers from our WDB have been Guy Finne, Jeff Custer, and Cheryl Key (a county commissioner who was designated to attend in place of Dan Belshan, the Joint Powers Board President). Randy asked if we want to keep the same representation. He mentioned that Jeff Custer, the outgoing WDB President, may be more available to attend than Brandon Dansie, the current WDB Vice President. Jeff Custer indicated that he would like to remain.

### **Business Service Representatives and WDI Area Managers Reports**

#### Business Service Representatives

Mike Haney advised that the Business Service Representatives are in Minneapolis today participating in the Medical of Honor Job Fairs for Veterans. Yesterday, they were in St. Paul and today they are in Minneapolis.

#### Area Managers

- Sonji Davis – The Faribault Community Event will be on Sunday, September 4<sup>th</sup> from 2-5pm at Central Park to bridge gaps and inform people about Somali cultural and religious differences in conjunction with Rice County. P2P Classes start on September 6<sup>th</sup> at the Faribault Education Center. For Youthprise, we did two presentations; one with the Somali Settlement community and one with the local rotary club. They were well received.
- Dallas Groten – Earlier last month, Sonji and Dallas attended a celebration for apprenticeships. Brandon Dansie (Viracon), Jim Wendorff (Viracon), John Aiken (DEED), and Jackie Buck (DEED) attended. Viracon was recognized for establishing the first apprenticeship in Minnesota through the MN DIL Apprenticeship Initiative Grant.
- Jinny Rietmann – Jakki Trihey was recently hired as the Rochester Area Manager. September is Workforce Development month so we are planning some open houses at the WorkForce Centers. Jinny gave a presentation on Tuesday regarding the Career Pathways Programing in SE Minnesota at the Region 5 Youth Conference.
- Mike Postma (for Beth Christiansen) – There will be open houses in Austin and Albert Lea on September 29<sup>th</sup>. We also have a career fair scheduled on October 4<sup>th</sup> at the Austin Holiday Inn. Jen Bauer is helping with the career fair. Mike notified the Board that he has flyers available if their businesses would like to sign up and participate.

#### **Other Announcements**

- Atewologun Adenuga – Riverland Community College is having an agriculture conference on November 16<sup>th</sup>.
- Randy Johnson – November 14<sup>th</sup> and 15<sup>th</sup> there is offender training for providers of offender services, with an employer's luncheon on November 15<sup>th</sup>.

**Mike Haney moved to adjourn the meeting, seconded by Diane Simon. The motion carries, 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: 31-Aug-16	Y-T-D Actual	% of Budget	Annual Budget
<b>Grants:</b>			
Adult Employment & Training	203,935	10.5%	1,938,149
Youth Employment & Training	121,300	11.3%	1,073,080
Dislocated Workers	169,590	9.0%	1,877,713
Reading Recognition	704	6.2%	11,400
	<u>495,529</u>	<u>10.1%</u>	<u>4,900,342</u>
<b>Fees for Service/Other:</b>			
Welfare Reform	222,365	7.5%	2,978,548
Custom Training	0	0.0%	2,000
Donations	663	6.6%	10,000
	<u>223,028</u>	<u>7.5%</u>	<u>2,990,548</u>
<b>Total Recognized Revenues</b>	<u><u>718,557</u></u>	<u><u>9.1%</u></u>	<u><u>7,890,889</u></u>
<b>Unrecognized Revenues:</b>			
Unbilled Welfare Reform	19,108	0.0%	0
Unallocated Indirect Costs	85,563	0.0%	0
	<u>104,671</u>	<u>0.0%</u>	<u>0</u>
<b>TOTAL REVENUES</b>	<u><u>823,228</u></u>	<u><u>10.4%</u></u>	<u><u>7,890,889</u></u>

**Changes Since Last Report:**

<b>Pathways - Healthcare (Round 2, Yr 1)</b>	<b>36,488</b>
<b>Welfare Reform</b>	<b>-22</b>
<b>Total Change</b>	<u><u>36,467</u></u>

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

From: 1-Jul-16 Thru: 31-Aug-16	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	339,544	9.7%	3,508,833
Payroll taxes & benefits	108,653	9.7%	1,118,717
Subcontracted services	80,106	28.1%	285,145
Staff development/conferences	7,484	24.9%	30,000
Travel	14,756	13.6%	108,440
Board expenses	1,199	6.5%	18,500
Telephone	10,298	17.0%	60,500
Postage	1,370	7.8%	17,500
Utilities	11,176	20.3%	55,000
Marketing	3,652	28.1%	13,000
Dues and subscriptions	1,739	8.7%	20,000
Auditing & legal fees	968	4.8%	20,000
Maintenance	18,040	23.4%	77,000
Rent and occupancy	65,370	16.5%	395,000
Insurance	3,237	18.0%	18,000
Supplies and other	9,094	8.2%	110,240
Equipment	5,832	29.2%	20,000
Equipment rental	17,085	16.5%	103,600
Classroom training	59,911	6.4%	937,384
Participant support	42,422	5.9%	716,866
OJT contracts/wage subsidy	10,131	12.8%	79,000
Participant Wages	12,321	7.8%	158,569
Participant Fringe	1,787	8.0%	22,297
Other training expenses	0	0.0%	12,300
Workforce Center Partner Billing	-2,947	19.6%	-15,000
	<u>823,228</u>	<u>10.4%</u>	<u>7,890,889</u>