

SE MN Workforce Development Board

September 7, 2017, 2:00 PM

Workforce Development, Inc.
Rochester, Minnesota

Minutes

Members Present: Guy Finne (Chair), Randy Johnson (Executive Director), Dan Belshan, Aaron Benike, Julie Brock, Jeff Custer, Dorothy Duran, Nadine Holthaus, Jean Larson, John Pugleasa, Michelle Pyfferoen, Diane Simon, Wayne Stenberg, Andy Toft, Nikki Weber-Knutson, Jim Wendorff, Holly Zuck, Jill Miller (Note Taker)

Others Present: Betsy Andrews, Susan Boehm, Beth Christensen, Sonji Davis, Jennifer Hamilton, Wanda Jensen, Kolloh Nimley, Orlando Smith, Jakki Trihey, David Wheeler

A quorum was present and Guy Finne called the meeting to order. **Aaron Benike moved for consent of the September agenda; Jim Wendorff seconded, and the motion passed.** As there was not a quorum at the June meeting, approval of the June 1, June 7, and August 3, 2017, agendas was needed. **Aaron Benike moved for consent of the June 1, June 6, and August 3, 2017, agendas; Jim Wendorff seconded, and the motion passed. Diane Simon moved for consent of the August meeting minutes; Dorothy Duran seconded, and the motion passed.** As there was not a quorum at the June meeting, approval of the May 4, June 1, and June 7, 2017, minutes was needed. **Diane Simon moved for consent of the May 4, June 1, and June 7, 2017, meeting minutes; Dorothy Duran seconded, and the motion passed.**

Introductions: Introductions of all in attendance were made. The following new Workforce Development Board (WDB) members were introduced:

- Nadine Holthaus (Adult Basic Education (ABE) Coordinator/Rochester Public Schools), ABE Seat – Rochester.
- Julie Brock (Regional Workforce Strategy Consultant/DEED), Wagner Peyser Seat – Rochester.
- John Pugleasa (Director of Human Services/Houston County), Public Assistance Seat. – Caledonia.

Program Reports

Management Committee – Jeff Custer

- **Fiscal Report: (Attachment A-June PY16), (Attachment B-Year-End PY16)** Jeff reported that our Fiscal Year PY16 annual budget was just under \$7.9 million. We finished the Fiscal Year under budget at \$7.4 million. He noted that we used \$169,183 in unrestricted carry-over (from the IBM Reading Recognition line item) to cover our budget gap. Jeff noted that, overall, there were no surprises, and we spent what we brought in. Randy indicated that Workforce Development, Inc. (WDI) has some unrestricted funds that can be used as “emergency money.” At year-end, we were short of grants and had to use some of our unrestricted funds. Randy indicated that he foresees upcoming grants on the horizon, and we will take a look at any adjustments in the middle of the year. He stated that at this point, we are on track.
- **(Attachment C-September PY17)** Jeff stated that our PY17 budget is at just over \$6.9 million. This is a million dollars less than what we budgeted for last year. We are on track through the end of August to execute on that budget. On the Budget by Programs/Function portion of the Fiscal Report, the equipment line item is a little high due to a one-time purchase of a server. Randy indicated that an annual budget of \$7.3 million is needed. WDI will be submitting for additional Dislocated Worker (DW) and Pathways to Prosperity (P2P) money.
- As there was not a quorum at the June meeting, approval of the June PY16 Fiscal Report was needed. **Diane Simon moved for consent of the June PY16 Fiscal Report; Jim Wendorff seconded, and the motion passed. Diane Simon moved for consent of the Year-End PY16 and September PY17 Fiscal Reports; Jim Wendorff seconded, and the motion passed.**
- Randy indicated that we started having conversations with DEED last spring about what courses are certified as Workforce Innovation and Opportunity Act (WIOA) credentialed training. DEED advised that they are attempting to get in touch with the Federal Department of Labor (DOL) to clarify what training programs should be paid for and certified as WIOA credentialed training. In order to continue payment for these programs until DEED and the DOL tell us differently, we will need our local WDB to provisionally certify the existing training list. Our local Management Committee approved the recommendation to provisionally certify the existing training list this morning. **Jim Wendorff moved to provisionally certify the existing WIOA credentialed training programs we have been paying for and have paid for in past until further clarification from DEED and/or the DOL; Jean Larson seconded, and the motion passed.**

One Stop Operating Partners – Wanda Jensen and Wayne Stenberg

- Wanda gave an update on the cost allocation plans. She stated we have one in place. We go through the process every year. Wanda pointed out that the Owatonna Office was designated as an affiliate office, as all three partners are no longer located at the WorkForce Center (WFC). This changed that cost allocation. We also have a situation in Red Wing where that lease is up. We have Vocational Rehabilitation Services (VRS) located at the Red Wing WFC as a partner, but not Job Service. There will be an upcoming change to that cost allocation. Wanda indicated that the Department of Employment and Economic Development (DEED) has made the decision to reduce the number of Resource Room computers in the offices. WDI has been apprised of this as it has gone along. We have a strategy within WDI to take other desktops that we already have and replace the computers that were removed. We will not have as many DEED computers, but it will still serve the needs of our customers. This will also partially change our cost allocation plan.
- Wanda shared that One Stop Operator written non-financial contract, comprising of all three partners of the One Stop Operating Consortium, is now in place. The Consortium is required to do quarterly reporting to the Workforce Development Board (WDB). The Consortium will organize a report at the end of September to share with the WDB.
- Wayne reported that the group discussed how to track and report the measurements for the One Stop Operator. He indicated that they did some "round-robins," and had good discussions.

Taskforce and Work Group Reports

Emerging Workforce (Youth) Taskforce – Wayne Stenberg

- Wayne stated that there was a quorum. We have received \$275,000 in new youth grants; including the Pre-Employment and Training Services (Pre-ETS) Grant, Temporary Assistance for Needy Families (TANF) funds, the AmeriCorp VISTA program, as well as Youth-At-Work competitive money. Wayne stated that the taskforce plans to take a closer look at internship and pre-apprenticeship opportunities. He shared that the taskforce reviewed the Youth Workforce Innovation and Opportunity Act (WIOA) Incentive Payments to Eligible Enrolled Youth Policy Letter and made suggestions for any changes. The taskforce voted to approve the amended letter today and is bringing the motion for approval to the WDB. **Wayne Stenberg moved to approve the amended Youth Workforce Innovation and Opportunity Act (WIOA) Incentive Payments to Eligible Enrolled Youth Policy Letter; Julie Brock seconded, and the motion passed.**

MaxAbility Employment Taskforce – Guy Finne

- Guy discussed that there was a Southern Minnesota Disability Employment Network (SMDEN) employer education session on August 16th focusing on education. Several employers shared success stories at the event. The Career Connections Subgroup is hosting a career fair for job seekers with disabilities on October 5th at the Canadian Honker Events at Kahler Apache. Guy shared that the MaxAbility Taskforce is also partnering with other organizations throughout the region to celebrate UN Enable Day on December 4th. The goal of the event is to educate and bring awareness to disability employment.

Salute Southern MN – Veterans Network – Guy Finne

- Guy reported that the taskforce is fine-tuning its strategy. The taskforce plans to work closely with County Veterans' Services Officers (CVSO). A luncheon to meet with the CVSO's is planned for October 2nd. The focus of the meeting will be on how we can become a mentoring resource for veterans so that when they come into county offices, the CVSO's can refer the veteran to Salute Southern MN for mentorship. The taskforce plans to resume networking meetings in the future. Guy indicated that Bravo Company will be going to Kuwait in June 2018.
 - Jean Larson inquired about translating military terminology and if colleges and universities have resources for veterans. Guy stated that he will follow up with Michelle Pyfferoen to gather information and forward it onto WDB members.

Formerly Incarcerated (Diversity and Inclusion) Work Group – Susan Boehm

- Susan stated that the next work group meeting is on Tuesday, September 26 from 3-4:30 pm at WDI. The focus of the meeting will be on employment for individuals coming out of incarceration. At the September 26 meeting, Sue Kastensen from Fair Shake will speak on educating and building relationships with employers. In addition, Orlando Smith will talk more about his new AmeriCorps VISTA position. He will share highlights of what he has learned thus far, as well as outline his plan going forward.

Racial Equity (Diversity and Inclusion) Work Group – Sonji Davis

- Sonji discussed that the work group reviewed the minutes from "away" meetings held in Rice and Mower Counties. Similarities and differences were discussed. The group found that individuals in the target population groups changed, but the ongoing barriers stayed the same. The next "away" meeting will take place in Owatonna (Steele County). To align the group's efforts with the needs of the disadvantaged populations, the work group reviewed an employer survey that Management is creating. The work group took a closer look at the cultural

competency issues to ensure that details were not missing. They will pass their suggestions onto the Management Team.

Women in Non-Traditional Employment (Diversity and Inclusion) Work Group – Michelle Pyfferoen

- Michelle reported that there was a quorum. The group reviewed upcoming DEED grant rounds. The Women in High-Wage, High-Demand, and Nontraditional Grant Program has been expanded to include programs in skilled trades; Science, Technology, Engineering, and Math (STEM) occupations; and those that encourage and assist women of color. The group discussed changing how intake is done for some of the grant programs to better understand where clients are coming from and what barriers they have experienced. The Management Team is building an employer survey that should be made available in the next 30 days. The survey will focus on recruiting challenges. The goal of the survey is to get employers who are committed to hiring engaged in these grants. There were no action items.
- *Julie Brock (Regional Workforce Strategy Consultant/DEED)* – Julie provided the WDB with further information regarding her new position with DEED.

Director's Report – Randy Johnson

Update on Budget/Staff Reductions/Office Visits

- Randy shared that he and Wanda Jensen had the opportunity to visit each of the ten WDI offices. Despite some recent reductions to our workforce, staff appeared to have great attitudes and are focused on team work. Four out of ten offices reported that Dislocated Workers (DW) are coming from retail positions because of that declining industry. Staff are also seeing an increased number of older workers; the average age is 61-years-old. Randy suggested that we should propose a different plan to DEED that consists of unique and innovative measurements, such as financial planning, for people ages 60-65. Office staff also indicated that they are receiving more requests from employers. Randy and Wanda also recorded some great quotes from WDI staff during their visits. Randy shared that he forwarded feedback, including the quotes, onto members of the National Association of Workforce Boards (NAWB).

Legislative Update

- Randy discussed that there is increased talk of a continuing resolution. At the Federal level, WDI is forward funded through July 1, 2018. President Trump's proposal is to cut the WIOA program by 39%. Of note, the House included both an appropriation and in the language to eliminate Wagner Peyser Job Service in a year. Randy does not believe this will happen. He reported that the Senate came out with their appropriations bill this morning. Senator Patty Murray has held the line to keep Wagner Peyser Job Service unaffected. Randy shared that there was some money left over from the National Emergency Grants for Dislocated Workers. The State of Minnesota requested \$590,000; however, the Federal Government has decided that the leftover money will be used for hurricane relief.
- At the State level, \$10 million was requested for Pathways to Prosperity (P2P) grants. Randy discussed that WDI is planning to partner with the Carpenters Union to offer a pre-apprenticeship academy. A regional meeting with officers from the WDB and the Winona Workforce Council will take place in Winona tomorrow to further discuss the Regional Plan. Randy reports that there was an economic summit this morning that provided a great showcase of manufacturing. Several WDB members were in attendance. He also indicated that he has a public sector meeting with Hennepin County next week to discuss how we can work together and help them use the grant money they were awarded. As discussed during the One Stop Partners update, Randy spoke about the reduction in the number of DEED computers in the WFC Resource Rooms. He would welcome referrals from WDB members for corporate giving/funding programs and/or donations to assist with costs associated with WDI replacing the computers that were removed.

Discussion Regarding Future Roll of the Board as the Competitive Grants Administrator

- Randy indicated that there are ongoing discussions about WDI becoming the administrator for P2P grants in a years' time.

Next Meetings

- Randy stated that Sectors will meet at the next WDB meetings on October 5. He would like each committee to provide a breakdown of critical occupations in their sectors. He would also like the committees to explore what their targets will be over the next ten years and to start identifying pathways.

Information Sharing

Minnesota State

- *Michelle Pyfferoen (Rochester Community and Technical College [RCTC])* – Michelle indicated that enrollment is down 4% at Minnesota State and 2.5% at RCTC. There is talk about regionalizing programs due to the economy. Overall, applications are flat, but the challenge is retention.

- *Dorothy Duran (Southeast Technical)* – Dorothy discussed that Minnesota State leaders from the SE MN Region have been meeting with the Customized Training and Continuing Education Division to examine ways of sharing resources and building programs without being competitive. There is also a continued focus on equity and inclusion. The Interim Chancellor of Minnesota State, Devinder Malhotra, will meet with the Presidents of all 37 colleges and universities throughout the state on Monday and Tuesday.

WDI Area Managers/ Staff

- *Sonji Davis* – Sonji announced that WDI has some staffing changes. Anisha Zak is our new Workforce Entry Coordinator in Steele County. Kim Buysee is our new Bridge Mentor funded by the Tri-City Bridges to the Future Grant. Her office will be located in Red Wing, and she will be working with juveniles at the Minnesota Correctional Facility in Red Wing (MCF-RW). She starts tomorrow.
- *Wanda Jensen* – Wanda shared that Dave Niermann mentioned that he will be interviewing for the Supervisor of Job Service staff next week.

Jean Larson moved to adjourn the meeting, Julie Brock seconded, and the meeting was adjourned.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

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><u>6,324,453</u></u>	<u><u>80.2%</u></u>	<u><u>7,888,578</u></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><u>6,413,636</u></u>	<u><u>81.3%</u></u>	<u><u>7,888,578</u></u>

Changes Since Last Report:

Total Change	<u><u>0</u></u>
--------------	-----------------

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>

ATTACHMENT B (Year-End PY16)**Workforce Development, Inc.****REVENUES by fund source**

From: 1-Jul-16 Thru: 30-Jun-17	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	1,883,524	98.4%	1,913,273
Youth Employment & Training	1,081,565	98.5%	1,098,374
Dislocated Workers	1,345,214	71.5%	1,880,586
Reading Recognition	169,183	1484.1%	11,400
	<u>4,479,486</u>	<u>91.4%</u>	<u>4,903,634</u>
Fees for Service/Other:			
Welfare Reform	2,921,304	98.1%	2,978,548
Custom Training	1,946	97.3%	2,000
Donations	10,909	109.1%	10,000
	<u>2,934,159</u>	<u>98.1%</u>	<u>2,990,548</u>
Total Recognized Revenues	<u><u>7,413,645</u></u>	<u><u>93.9%</u></u>	<u><u>7,894,181</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	0	0.0%	0
Unallocated Indirect Costs	0	0.0%	0
	<u>0</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>7,413,645</u></u>	<u><u>93.9%</u></u>	<u><u>7,894,181</u></u>

Changes Since Last Report:

WIOA Adult PY14	602
WIOA Disl Wrk PY14	2,873
WIOA Youth PY15	2,128
Total Change	<u><u>5,603</u></u>

ATTACHMENT B (Year-End PY16)**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-16 Thru: 30-Jun-17	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	3,725,091	103.6%	3,596,099
Payroll taxes & benefits	1,079,144	94.2%	1,145,612
Subcontracted services	278,205	100.5%	276,734
Staff development/conferences	66,755	95.4%	70,000
Travel	96,717	100.8%	95,940
Board expenses	12,171	65.8%	18,500
Telephone	55,381	87.9%	63,000
Postage	11,273	80.5%	14,000
Utilities	65,381	101.4%	64,500
Marketing	9,679	88.0%	11,000
Dues and subscriptions	12,862	71.5%	18,000
Auditing & legal fees	19,358	96.8%	20,000
Maintenance	83,596	94.2%	88,700
Rent and occupancy	394,950	99.5%	397,000
Insurance	17,938	99.7%	18,000
Supplies and other	101,745	99.1%	102,659
Equipment	9,431	94.3%	10,000
Equipment rental	93,752	99.1%	94,600
Classroom training	835,396	96.1%	869,284
Participant support	307,562	46.4%	663,388
OJT contracts/wage subsidy	19,615	24.8%	79,000
Participant Wages	108,819	68.6%	158,569
Participant Fringe	15,355	68.9%	22,297
Other training expenses	8,609	70.0%	12,300
Workforce Center Partner Billing	-15,140	100.93%	-15,000
	<u>7,413,645</u>	<u>93.91%</u>	<u>7,894,181</u>

ATTACHMENT C (September-PY17)**Workforce Development, Inc.****REVENUES by fund source**

From: 1-Jul-17 Thru: 31-Aug-17	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	151,828	9.6%	1,588,835
Youth Employment & Training	100,930	8.9%	1,131,843
Dislocated Workers	97,476	6.4%	1,529,062
	<u>350,234</u>	<u>8.2%</u>	<u>4,249,740</u>
Fees for Service/Other:			
Welfare Reform	259,099	9.7%	2,681,000
Custom Training	0	0.0%	5,000
Donations	3,884	77.7%	5,000
	<u>262,983</u>	<u>9.8%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u>613,217</u>	<u>8.8%</u>	<u>6,940,740</u>
Unrecognized Revenues:			
Unbilled Welfare Reform	0	0.0%	0
Unallocated Indirect Costs	82,371	0.0%	0
	<u>82,371</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u>695,588</u>	<u>10.0%</u>	<u>6,940,740</u>

ATTACHMENT C (September PY17)**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-17 Thru: 31-Aug-17	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	303,772	9.8%	3,096,693
Payroll taxes & benefits	97,208	9.8%	990,642
Subcontracted services	2,736	0.8%	331,318
Staff development/conferences	5,309	17.7%	30,000
Travel	8,586	10.6%	81,300
Board expenses	1,491	9.9%	15,000
Telephone	10,856	21.7%	50,000
Postage	2,091	17.4%	12,000
Utilities	10,755	23.9%	45,000
Marketing	578	4.8%	12,000
Dues and subscriptions	2,563	17.1%	15,000
Auditing & legal fees	1,025	4.9%	21,000
Maintenance	10,306	12.4%	83,000
Rent and occupancy	66,470	16.4%	405,000
Insurance	3,494	19.4%	18,000
Supplies and other	11,903	12.6%	94,385
Equipment	5,832	58.3%	10,000
Equipment rental	18,076	13.2%	137,228
Classroom training	69,108	7.1%	974,092
Participant support	41,747	13.0%	321,379
OJT contracts/wage subsidy	1,513	2.5%	59,453
Participant Wages	17,745	14.3%	123,862
Participant Fringe	2,425	12.8%	18,889
Other training expenses	0	0.0%	7,500
Workforce Center Partner Billing	0	0.00%	-12,000
	<u>695,588</u>	<u>10.02%</u>	<u>6,940,740</u>