

JOINT POWERS BOARD

June 14, 2018, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Dan Belshan (Chair), Randy Johnson (Executive Director), Steve Bauer, Susan Boehm, Ken Brown, Wanda Jensen, Cheryl Key, Mitch Lentz, Jinny Rietmann, Rhonda Toquam, Jill Miller (Note Taker)

Guest: Julie Brock (MN Department of Employment and Economic Development)

A quorum was present and Dan Belshan called the meeting to order.

Fiscal – Randy Johnson

- **Fiscal Report: (Attachment A)** There have been three changes to the budget since the last reporting period. There was a \$62,000 decrease in the budget for the BARD Medical grant; we were aware that was coming. It was a \$400,000 grant; however, everyone in the grant was serviced under the Trade Adjustment Assistance (TAA) program. The second change is for the Minnesota Job Skills Partnership (MJSP) Regional Planning (Minnesota Workforce Council Program [MWCP]) grant. The Department of Employment and Economic Development (DEED) notified us that we are required to spend the funding by June 30, 2018, so we wrote the amount of \$44,500 back into the budget. This money will be used for regional planning staff time to connect and start exploring career pathways and responses to equity issues. The last item is a Temporary Assistance for Needy Families (TANF) Youth grant for teen employment, which we receive every year. The grant is \$150,000, of which \$20,000 will be used this Fiscal Year. Total impact to the budget is \$2,500. Our annual budget is just over \$7.1 million.
- **Functional Expenses:** Salaries and fringe run a month behind and are at 82.7%, this is exactly where we should be. For the classroom training line item, there are \$100,000 in outstanding vouchers. Randy estimated that we will end the Fiscal Year at \$6.7 million. All additional resources will be carried over into the next Fiscal Year.
Cheryl Key moved to approve the Fiscal Report; Steve Bauer seconded, and the motion was approved.

Workforce Development, Inc. (WDI) Policy Letter for WIOA Adult, Dislocated Worker, and Youth Training Programs/Amendment – Randy Johnson

- Randy requested an amendment in the WDI policy for eligibility for training programs that are not included in the targeted priority jobs list to a maximum voucher of \$2,500 per year/\$1,250 per semester (limited to actual costs of tuition and fees) for one year. **Steve Bauer motioned to approve the amendment in the policy; Ken Brown seconded. The motion was approved.**

Closing of Owatonna WorkForce Center – Randy Johnson

- The Owatonna WorkForce Center (WFC) closed in April. The office closed to Adult, Dislocated Worker, and walk-in traffic. Youth services are still at this office. Randy is trying to find funding to reopen the office. He shared an expense handout detailing the PY18 Owatonna WFC Budget Resources. **Cheryl Key motioned for the temporary closing of the Owatonna WorkForce Center, Ken Brown seconded. The motion was approved.**

Program Reports

Dislocated Worker (DW) – Randy Johnson

- Bellisio Foods in Austin is now closed. Dislocated workers are still coming into our office. The grant is in good shape. The Bellisio Foods grant is for \$240,000 to serve 60 workers in Austin. We should have no problem meeting our planned enrollments. We have expended \$24,505 to date, and have \$10,000 committed for summer. The grant runs through June 30, 2019. The BARD Medical grant has been extended to an end date of December 31, 2018. Everyone in the grant was serviced under TAA. We made an important adjustment in our State DW allocations about a month ago to ensure that our Federal Workforce Innovation and Opportunity Act (WIOA) DW Program and the State DW Program budgets were aligned. Those enrolled in the Quad/Graphics grant have been shifted to a caseload in Faribault. WDI currently has 25 people enrolled, and \$38,096 in expenditures. Bonton Stores, which includes Herberger's and Younker's stores, was sold to a liquidator firm. The company is closing all 20 stores in Minnesota, impacting 1,800 employees statewide. In SE Minnesota, we have stores in Austin, Albert Lea, and Rochester; totaling 190 employees. WDI has submitted a request for \$80,000 in project funds, and

\$5,000 in Early Readjustment Assistance Grant (ERAG) funds to serve 20 people. This number can be modified as we go. Randy reported that between July 4 and September 3, 2018, the Bonton Stores will wind down and close. Randy has a meeting set up at the Rochester Herberger's store, where he will spend the day meeting with employees to answer questions. Innovative Food Processors (IFP) was bought out and is moving workers to Faribault. There has been discussion that Wells Fargo will be closing small branches in our area this year. The bank closed more than 200 branches last year. They intend to close 200 more branches in 2018, with plans to close 800 more by 2020.

Randy Johnson made a request to amend the agenda to include the Personnel Committee Report. **Mitch Lentz moved to amend the agenda as presented by Randy Johnson, Cheryl Key seconded, and the motion was approved.** The agenda was accepted as amended.

Personnel Committee Report – Randy Johnson

- Randy reports that the Personnel Committee met in May and then again in June to hear the Employee Benefits proposals. Randy stated that the Management Committee voted to approve the following 2018 employee benefits requests, as did the full Workforce Development Board (WDB).
 - \$117,300, which includes a \$97,300 equity adjustment (3%) and \$20,000 in merit. **Cheryl Key moved to approve the 3% wage increase pool and the \$20,000 in merit, Ken Brown seconded. The motion was approved.**
 - Gradifi Student Loan Repayment Program Request, as detailed below.
 - It was estimated that 15-18 employees would use the benefit, based on 60-70% of staff who responded to a survey. The Employee Benefits Committee negotiated with Gradifi for a reduction in some program fees, as WDI is a non-profit organization. The annual maintenance fee for the program would be waived entirely for the lifetime of the program. The initiation fee of \$500 would also be waived. Starting year two, WDI would pay an annual administrative fee of \$600/annually, reduced from \$2,200/annually, for enrolling twenty employees. The cost of the program would be \$2.50 per person, down from \$5.00 per person. The Employee Benefits Committee proposed a \$100/month WDI contribution for each employee taking advantage of the benefit. The employee would make their regular student loan payment, and the \$100 would be an additional amount. The student loan can be a private or public loan. The contribution would be a taxable benefit to WDI employees. There would be a probationary waiting period of at least three months for new employees to take advantage of the program. The employee would be able to use the Student Loan Repayment Program benefit or the College Tuition Reimbursement benefit, but not both; one or the other. To take advantage of this pricing, WDI would need to sign an agreement with Gradifi by September 30, 2018, and make the first contribution by January 31, 2019.
Ken Brown moved to approve the Gradifi Student Loan Repayment Program, Cheryl Key seconded. The motion was approved.
 - \$7,160 Wellness Request, which includes Personal Health Assessments (PHA) & incentives, program supplies & incentives, a Wellness Council of America (WELCOA) membership, and an annual Hy-Vee dietician demonstration. Randy reported that of the 58 staff at WDI, 43 participate in wellness activities. **Steve Bauer moved to approve the 2018 Wellness Request of \$7,160, Ken Brown seconded. The motion was approved.**

Cheryl Key moved for consent of the June agenda; Steve Bauer seconded, and the motion passed. Ken Brown moved for consent of the May meeting minutes; Cheryl Key seconded, and the motion passed.

Program Reports

Youth – Jinny Rietmann

- Temporary Assistance for Needy Families (TANF) funding was approved to provide Career Pathways programming, intergenerational work readiness classes, and work experience opportunities. We were funded for \$150,000 to be spent by December 31, 2018. PY18 Youth Program funding was approved. Workforce Innovation and Opportunity Act (WIOA) in-school youth and out-of-school youth funding increased from approximately \$419,000 to \$443,000. The Minnesota Youth Program (MYP), at \$274,098, and Youthbuild, at \$76,000, were funded at the same levels. Jinny shared the success story of A.G., a WDI youth customer, and the Youth Programs Overview of grant programs.

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

- Wanda reported that she has been out visiting counties and having meetings with WDI career planners. At the next Joint Powers Board (JPB) meeting, she will have more information regarding the online Minnesota welfare calculator. There have been recent changes to the Minnesota childcare policy. It will allow for an adjustment in hours worked and flexible work schedules. Wanda stated that this is a positive change and will help so that MFIP recipients do not lose their childcare benefit.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- Our WIOA Local and Regional Plans have been submitted to DEED. Randy recently attended a meeting in the Twin Cities regarding new finance policy rules, that are not a part of Federal law, DEED is proposing. DEED is requesting monthly documentation of all WDI expenditures to be submitted as part of our monthly Financial Stability Report (FSR). Until the documentation is signed off on and approved, WDI would not be able to spend money under the new DEED rules. Randy will continue to have discussions with DEED regarding this.
- Randy shared a document that detailed our final PY18-PY19 WIOA allocations for the Adult, DW, and Youth Programs. He reported that 19% of our funding is Federal WIOA money. There was a 9.9% increase in our WIOA DW allocation. There was a 9.4% increase in our WIOA Adult allocation. WIOA Youth went up 9%.

Director's Report – Randy Johnson

Federal Legislative Update

- There is a continuing resolution until October 1, 2018; we are level funded.

State Congressional Update

- Randy stated that he serves on a State legislative committee that proposed a bill 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. It is gaining support. The proposed bill was heard in the Senate. The bill got held over for consideration until next year.

Regional WIOA Alliance Report

- Joint Officers from both our WDB and JPB, in addition to the Winona County WDB, met on May 16th. Our goal is to get better connected with Winona in the future.
- Randy introduced Julie Brock, Workforce Strategy Consultant for DEED. She discussed the Statewide CareerForce rebranding process. She also reviewed Region 6 State of Manufacturing 2018 survey results and Wanted Analytics, a database source for labor market updates.

Budget Update

- This year, WDI is doing better; with 70 different funding streams. We are still retaining staff. Six Pathways to Prosperity (P2P) grants went in from our area and four were funded. WDI is the administrative entity of three of the four grants. The three grants included a River Region Manufacturing grant, a Carpentry and Construction Trades grant, and a Public Sector grant. Local and Regional Plans have been submitted and accepted; we are now waiting for signatures. WDI just finished a Skilled Construction Craft Laborers Training, in conjunction with the Minnesota Department of Transportation (MnDOT). Eight trainees graduated from the training. We will be doing a second training; starting on August 6th.

County Overview

- In Dodge County, we need to refill the seat that was held by McNeilus; Randy is currently recruiting. In Olmsted County, we continue to have a good relationship with the Chamber of Commerce and their Vice President, Matt Bissonette. The Federal Department of Labor (DOL) has put out \$25 million in competitive funds to serve people affected by the opioid crisis, or to get people trained as mental health/chemical dependency (CD) counselors. Each state can get up to \$5 million. Randy has requested \$132,500 over two years to serve up to ten people as mental health/CD counselors. Randy is meeting with Zumbro Valley this afternoon; the grant application is due tomorrow. WDI has expanded their good relationship with the Somali Community Resettlement Services. Faysel Ali from WDI in Faribault has worked to get this going.

Previously Incarcerated Individual (Diversity and Inclusion) Work Group – Susan Boehm

- Subcommittees have been established focusing on employer engagement, the needs and barriers of the formerly incarcerated individual, and communication. Susan reported that employers are beginning to come on board and join the work group. The next Skilled Construction Craft Laborers Training, in conjunction with the Minnesota Department of Transportation (MnDOT), will run from August 6-31. Up to 25 people will be allowed in the training. Graduates of the program will receive an OSHA 30 certification and flagger certification card.

Next Meetings

- No Meeting in July
- Thursday, August 2–Regional Workforce Development Strategic Planning Summit, (Wood Lake Meeting Center)
 - 11:30 am – Lunch; ending at 1:30 pm
 - Meeting Theme: Supply of people - What is the solution? How do you get people interested?
- Thursday, September 13 and Thursday, November 8

Dan Belshan adjourned the meeting.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

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

From: 1-Jul-17 Thru: 31-May-18	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	1,349,965	74.0%	1,823,357
Youth Employment & Training	913,352	74.3%	1,229,630
Dislocated Workers	1,138,304	82.4%	1,381,897
	<u>3,401,620</u>	<u>76.7%</u>	<u>4,434,884</u>
Fees for Service/Other:			
Welfare Reform	2,192,957	81.8%	2,681,000
Custom Training	1,250	25.0%	5,000
Donations	13,021	260.4%	5,000
	<u>2,207,228</u>	<u>82.0%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u><u>5,608,848</u></u>	<u><u>78.7%</u></u>	<u><u>7,125,884</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	62,502	0.0%	0
Unallocated Indirect Costs	74,956	0.0%	0
	<u>137,458</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>5,746,306</u></u>	<u><u>80.6%</u></u>	<u><u>7,125,884</u></u>

Changes Since Last Report:

BARD	(62,000)
MJSP - MWCA Regional Planning	44,500
TANF Youth - CY18	20,000
Total Change	<u><u>2,500</u></u>

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

From: 1-Jul-17	Y-T-D	Percent	Annual
Thru: 31-May-18	Actual	of Budget	Budget
Salaries and wages	2,723,238	82.7%	3,291,824
Payroll taxes & benefits	871,443	82.8%	1,052,559
Subcontracted services	206,760	64.3%	321,318
Staff development/conferences	37,111	91.4%	40,600
Travel	78,654	84.3%	93,300
Board expenses	13,134	87.6%	15,000
Telephone	52,242	90.1%	58,000
Postage	9,655	80.5%	12,000
Utilities	44,358	92.4%	48,000
Marketing	4,532	53.3%	8,500
Dues and subscriptions	15,301	85.8%	17,825
Auditing & legal fees	19,160	91.2%	21,000
Maintenance	54,340	79.9%	68,000
Rent and occupancy	373,128	91.0%	410,000
Insurance	16,714	76.0%	22,000
Supplies and other	98,489	88.7%	111,044
Equipment	6,594	65.9%	10,000
Equipment rental	83,745	90.2%	92,800
Classroom training	703,885	77.4%	908,995
Participant support	215,813	65.3%	330,348
OJT contracts/wage subsidy	14,614	23.9%	61,263
Participant Wages	84,944	72.0%	118,056
Participant Fringe	12,088	86.6%	13,953
Other training expenses	14,781	128.5%	11,500
Workforce Center Partner Billing	-8,417	70.14%	-12,000
	<u>5,746,306</u>	<u>80.64%</u>	<u>7,125,884</u>