

SE MN Workforce Development Board

May 3, 2018, 2:00 PM

Workforce Development, Inc.

Rochester, Minnesota

Minutes

Members Present: Randy Johnson (Executive Director), Jeff Custer, Nadine Holthaus, Laura Link, Kris Pierce, Michelle Pyfferoen, Diane Simon, Wayne Stenberg, Andy Toft, Tami Walker, Joy Watson, Jill Miller (Note Taker)

Others Present: Betsy Andrews, Susan Boehm, Jennifer Hamilton, Wanda Jensen, David LeGarde, Marleen Lundberg, Mike Postma, Jinny Rietmann, Jody Schaber, Orlando Smith, Karla Tauer, Jakki Trihey, Kelsey Woods-Nord, Project SEARCH Interns, Dawn Kirchner, Nancy Joyce, Chris DePagter, Marin Howe

Project SEARCH Presentation

Ten interns from Project SEARCH were introduced. Each shared information about the employment skills they learned and their hands-on work experiences at Mayo Clinic.

Diane Simon called the meeting to order. A quorum was not established. Due to the absence of a quorum, approval of the May agenda and April meeting minutes was deferred to the next Workforce Development Board (WDB) meeting on June 7, 2018.

Program Reports

Management Committee – Jeff Custer

- **Fiscal Report: (Attachment A)** Due to the absence of a quorum, approval of the May Fiscal Report was deferred to the next WDB meeting.
- **Personnel Committee Report:** Due to the absence of a quorum, the Personnel Committee Report was tabled to the next WDB meeting.
 - **Highlights:** Workforce Development, Inc. (WDI) has received a few smaller grants. The Management Committee spent an extensive amount of time talking about the current cash flow challenges we have. Jeff stated that Randy Johnson is doing an excellent job working his way through the situation. The Personnel Committee met. They had a presentation from the Employee Benefits Committee; with a Personnel Committee recommendation for a wage increase. This recommendation will be brought back to the WDB for approval at the June meeting. For a second year, the Employee Benefits Committee also proposed putting into place a student loan repayment option, through a company called Gradifi, for employees of WDI. If an employee has an outstanding student loan, there would be a potential plan that would pay a small portion of their student loan each month. At this point, the Personnel Committee took this under advisement and will have a proposal for the WDB next month.
 - **Grant Subcontracts:** The Management Committee recommended approval of a subcontract with Red Wing Youth Outreach Program, Inc. within the Emerging Leaders Grant. The subcontract will be used to provide Mentoring and Independent Living Skills Programs, totaling \$20,235. The action item was reviewed; however, there was the absence of a quorum. Approval was unofficially adopted by a 10 to 0 vote.
 - The Management Committee recommended approval of a subcontract with Project FINE within the Southeast Asian Economic Disparities and Relief Grant. The subcontract will be used for regional capacity building, staff training, outreach, and facilitation of community events, totaling \$15,000. The action item was reviewed; however, there was the absence of a quorum. Approval was unofficially adopted by a 10 to 0 vote.

One Stop Operating Partners – Nadine Holthaus

- Nadine reported that the One Stop Operator Request for Proposal (RFP) is done. The RFP has been done and is moving forward for approval. The Workforce Innovation and Opportunity Act (WIOA) Regional Plan has been posted on the WDI and Department of Employment and Economic Development (DEED) websites. WDI is working on the infrastructure agreement with DEED. The One Stop Operator Partners have decided as a group to work on better referrals between partners. The WDI Owatonna/Steele County Office was closed in April due to budget issues. Semcac received the 2018 "Best Places to Work" award.

Sector Reports

Emerging Technology and Economic Development – Tami Walker

- The group discussed the Rochester Technology Center located on the former IBM Campus; Randy Johnson attended a meeting there. He used this as an opportunity to talk about the capabilities and services of WDI. The committee reviewed a brochure from a workforce council out of the Dallas-Fort Worth area. The brochure

portrayed industry sector work and their mission in a nice, graphical way. Randy brought this home from a conference he attended in Dallas, Texas. He is working with a graphic designer to create a similar template design for a WDB "Playbook." They also discussed creating better partnerships. DEED is working with a marketing company to rebrand the WorkForce Centers to CareerForce Centers; the committee discussed some of the ramifications of that. They talked about creating a resume service where customers could get assistance with resumes, based on the UBER model. WDI would line up trained individuals or volunteers in the community to work with customers on resume updating as a rapid, on-demand type of service.

Healthcare – Jakki Trihey

- The committee did not have a quorum or action items. Kolloh Nimley gave an update on the International Medical Graduate (IMG) Assistance Program. There will be a Match Day Celebration held on May 10th. Five IMG participants were placed in residency programs this spring; one in Minnesota. Rob Van Craenenbroeck discussed the upcoming meeting being held on May 17th from 1:00-4:00pm. The meeting will be geared towards re-energizing the former Nursing Shortage Solutions (NSS) sub-committee and moving along proposed solutions that were never started.

Manufacturing – Kris Pierce

- A quorum was present. Kris reported that there was the SE MN Workforce Solutions Roundtable that took place in Owatonna in mid-April. Several employers, including Viracon, TruVue, and Alamco Woods, participated in employer panel discussions. There was a presentation about cost of living and the different aspects of that, along with roundtable break-out groups. The committee briefly discussed the statewide manufacturing survey results. Enterprise Minnesota will hold a meeting at the Steele County History Center in Owatonna on June 5th. There is a \$100,000 grant with the Minnesota Department of Transportation (MnDOT) for a transportation and construction program. Candidates can get OSHA 30 and flagger certified. There is a capacity for 25 students; currently they have 9 committed. A challenge is finding qualified people, specifically those who have their high school diploma/GED and a driver's license. The group discussed the P2P Rice County grant award. The application deadline for the DEED Private Investment, Public Education, Labor, and Industry Experience (PIPELINE) Grant is at the end of May. These are grants for information technology, healthcare, manufacturing, and maintenance. There is a job fair at the Faribault West Mall in Faribault on Thursday, May 17th from 11:00am-2:00pm.

Services and Trades – Wayne Stenberg

- Mike Postma reported that 15 students graduated from the Carpentry Training Program. It was a great success; two-thirds of the graduates have been placed. Fourteen students are scheduled to start a Laborers Training Program. Graduates of the program will receive an OSHA 30 certification and flagger certification card. WDI was awarded a \$425,000 construction sector Pathways to Prosperity (P2P) grant, which will include hiring a navigator.

Director's Report – Randy Johnson

Congressional Update

- There is a continuing resolution. Randy indicated that Congress passed a bill two months ago that will result in an increase in funding for our programs. The estimated State Youth allocation has increased by 4.9%. Randy has not seen the allocations for the State Adult and Dislocated Worker (DW) programs. Congress could rescind on what they decided; but if they do propose something, it has to be dealt with within 45 days. The next budget is October 1, 2018. We are forward funded, so whatever Congress does will not affect us until July 2019.
- WIOA Law requires all partners of the WorkForce Center to share administrative costs. WDI already has cost allocation plans in place with its partners. However, we now need to ensure that we link together with other programs/organizations that are not partners of the WorkForce Center and then determine how we document and account for that. WDI will need to reapply for local area redesignation. The State is finally identifying what the ramifications are if Workforce Development Areas (WDAs) have not met their standards for the last couple of years. Randy noted that WDI has successfully met all of the standards. Winona County will need to reapply as well. If a WDA is not performing successfully, the State has authority to redesignate the local workforce development area. This would happen a year from now. The One Stop Operator Request for Proposal (RFP) was redone. Randy reported that we will find out the results next week at the Joint Powers Board (JPB) meeting. Our WIOA Regional Plan is currently posted on both the WDI and DEED websites for a 30-day comment period. The Plan is due to DEED by the end of May.

Legislative 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. Randy indicated that the bill would not have been acted on immediately, as money would not be available until 15 months from now.

- The WDI Owatonna/Steele County office closed in April. We relocated our remaining Career Planner in Owatonna to the Mower County office to assist with the Bellisio Foods DW Project in Austin. We are continuing to look for the next source of funding in order to reopen the Owatonna office. We applied for a P2P grant in the Owatonna area, but it was not chosen for funding.

New Grant Developments

- DEED put \$18 million in competitive P2P grant money out for bid. There were 72 different applications for the money, totaling \$32 million. DEED announced that half of the money was awarded to outstate organizations. WDI was awarded three grants totaling \$975,000, the largest award to any agency in Minnesota. Randy is currently interacting with DEED on the process in which money is put out for bid.

WDI Budget Projections and Office Status

- Randy explained that this was an unusual year for WDI, with traditional sources of funding declining. WDI had access to the Dislocated Worker money; however, the number of dislocated workers coming into our offices was lower than expected, and we did not have the enrollment numbers needed to justify drawing the money. Thirty percent of our budget next year will come from competitive sources. Randy noted that if we had not submitted for competitive funding, we would be operating with a \$5.6 million budget next year. This would not allow us to keep all of our WDI offices open. WDI has been operating on funding from smaller grants and several DW projects throughout the year to get to this point. We also receive reimbursement grants, in which WDI pays expenses related to the grants in advance of receiving the funding. Our county contracts for programs like the Minnesota Family Investment Program (MFIP) are reimbursement grants, totaling approximately \$330,000 a month that we pay in advance. The budget looks good after July 1st, but our biggest concern is cash flow during May and June; as we cannot use next year's funding. Randy and Brian Ashton have been reviewing our budget. He is optimistic that we can be creative with our funds and make the budget work. Randy indicated that taking out a short-term unsecured loan may be a possibility; he has contacted a few lenders who work with nonprofits.
- We closed our WDI Owatonna/Steele County office in April. After 28 years of employment working with the DW Program, Bill Hahn has left employment with WDI. The DW Coordinator position could no longer be supported with the low activity level of the program. We will not be refilling the position. Randy has taken over the DW Coordinator responsibilities.

Information Sharing

Monthly Topic: "Employee Retention and Best Practices"

- Randy shared that Semcac and Bergquist, a Henkel Company were recently recognized as 2018 Southeast Minnesota "Best Places to Work" award recipients. Further discussion took place around the topic of "Employee Retention and Best Practices." Ideas shared included "painting a picture" about expectations in job roles to reduce the high turnover for younger people; offering soft skills training; more thorough orientation for new hires; "pay for performance," real-time recognition; attendance incentives for both new employees and their trainers; and real career awareness.

Upcoming Meetings

- The next WDB meeting is scheduled for Thursday, June 7th. No meeting in July. There will be a Regional Workforce Development Strategic Planning Summit on Thursday, August 2nd at Wood Lake Meeting Center in Rochester.

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: 30-Apr-18	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	1,188,386	66.0%	1,800,357
Youth Employment & Training	824,990	68.2%	1,209,630
Dislocated Workers	1,051,723	72.8%	1,443,897
	<u>3,065,100</u>	<u>68.8%</u>	<u>4,453,884</u>
Fees for Service/Other:			
Welfare Reform	1,952,587	72.8%	2,681,000
Custom Training	1,250	25.0%	5,000
Donations	12,383	247.7%	5,000
	<u>1,966,220</u>	<u>73.1%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u><u>5,031,319</u></u>	<u><u>70.4%</u></u>	<u><u>7,144,884</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	93,740	0.0%	0
Unallocated Indirect Costs	80,101	0.0%	0
	<u>173,841</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>5,205,161</u></u>	<u><u>72.9%</u></u>	<u><u>7,144,884</u></u>

Changes Since Last Report:

YIP CY18/19	11,180
LEAP	10,000
ACP - Admin Assistant	26,000
Bellisio Foods - ERAG	10,000
Bellisio Foods	50,000
DHS - Homeless Prevention	22,917
MN DOT Heavy Construction	21,500
Total Change	<u><u>151,597</u></u>

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

From: 1-Jul-17	Y-T-D	Percent	Annual
Thru: 30-Apr-18	Actual	of Budget	Budget
Salaries and wages	2,466,939	76.0%	3,244,161
Payroll taxes & benefits	789,425	76.1%	1,037,305
Subcontracted services	162,581	51.4%	316,318
Staff development/conferences	35,881	94.2%	38,100
Travel	70,934	78.6%	90,300
Board expenses	12,238	81.6%	15,000
Telephone	46,118	83.1%	55,500
Postage	8,451	70.4%	12,000
Utilities	39,504	82.3%	48,000
Marketing	4,264	50.2%	8,500
Dues and subscriptions	15,253	85.6%	17,825
Auditing & legal fees	18,268	87.0%	21,000
Maintenance	52,777	77.6%	68,000
Rent and occupancy	339,320	82.8%	410,000
Insurance	15,198	69.1%	22,000
Supplies and other	85,851	81.6%	105,226
Equipment	6,594	65.9%	10,000
Equipment rental	76,248	82.2%	92,800
Classroom training	653,370	66.4%	983,995
Participant support	193,645	55.5%	348,848
OJT contracts/wage subsidy	13,852	23.7%	58,463
Participant Wages	81,734	63.8%	128,016
Participant Fringe	11,623	70.6%	16,453
Other training expenses	10,221	127.8%	8,000
Workforce Center Partner Billing	-5,128	42.73%	-12,000
	<u>5,205,161</u>	<u>72.86%</u>	<u>7,143,809</u>