

SE MN Workforce Development Board

June 7, 2018, 2:00 PM

Workforce Development, Inc.

Rochester, Minnesota

Minutes

Members Present: Guy Finne (Chair), Randy Johnson (Executive Director), Julie Brock, Jeff Custer, Nadine Holthaus, John Pugleasa, Dee Sabol, Diane Simon, Rob Van Craenenbroeck, Tami Walker, Joy Watson, Nikki Weber-Knutson, Jill Miller (Note Taker)

Others Present: Susan Boehm, Beth Christensen, Sonji Davis, Wanda Jensen, David LeGarde, Marleen Lundberg, Jeff Mc Cabe, Jinny Rietmann, Orlando Smith.

- Guy Finne called the meeting to order. A quorum was not established; there were eleven Board members in attendance. There are several action items that require approval before June 30, 2018. We will plan a conference call before June 30, 2018, to give Workforce Development Board (WDB) members, who were unable to attend today's meeting, the opportunity to vote on action items and to satisfy the quorum requirement for approval. Board officers, Guy Finne (Chair) and Jeff Custer (Treasurer), will participate in the call as well.
- Randy Johnson indicated that he will bring in a new Charter and Bylaws in August, which will allow flexibility for meeting times.
- Introductions were made. Nikki Weber-Knutson from Hormel announced that she will be stepping down from the WDB this month after five years of service. Her replacement representing Hormel will be Kristy Ruble.
- Due to the absence of a quorum, approval of the April meeting minutes was deferred to the next Workforce Development Board (WDB) meeting.

Program Reports

Management Committee – Diane Simon

- Fiscal Report: Due to the absence of a quorum, approval of the May and June Fiscal Reports was deferred to the next WDB meeting.
- Personnel Committee Highlights: The Personnel Committee met and there was a quorum. Randy provided summaries of adult outcomes; revenue and support; and a wage and benefit comparison for PY17. The Employee Benefits Committee gave a presentation. Both the Personnel and Management Committees voted to recommend full WDB approval of the 2018 Salary Package request of \$117,300, which includes a \$97,300 equity adjustment (3%) and \$20,000 in merit. The recommendations were approved. The Employee Benefits Committee also proposed putting into place a student loan repayment program through Gradifi. 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 Workforce Development, Inc. (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. Both the Personnel and Management Committees voted to recommend full WDB approval of the Gradifi Student Loan Repayment Program Request as detailed above, with the requirement of a waiting period of at least three months for new employees. The recommendations were approved. The Wellness Committee outlined the accomplishments and activities they took part in this last year. The proposed 2018 Wellness Request would total \$7,160 for Personal Health Assessments (PHA) & incentives, program supplies & incentives, a Wellness Council of America (WELCOA) membership, and an annual Hy-Vee dietician demonstration. Both the Personnel and Management Committees voted to recommend full WDB approval of the 2018 Wellness request as detailed above. The recommendations were approved. **The 2018 Salary Package, Gradifi Student Loan Repayment Program, and 2018 Wellness Package requests were reviewed as detailed above; however, a quorum**

was not present. Tami Walker motioned to recommend approval of the 2018 Salary Package, Gradifi Student Loan Repayment Program, and 2018 Wellness Package requests, Joy Watson seconded. The motion was unofficially approved by an 11 to 0 vote. We will plan a conference call before June 30, 2018, to give WDB members, who were unable to attend today's meeting, the opportunity to vote on action items and to satisfy the quorum requirement for approval. Randy Johnson stated that WDI is in good shape. He noted that our annual Return on Investment (ROI) for PY17 is almost 600%.

- We executed the \$150,000 loan from Propel; and cash flow has been healed. We should be able to pay the loan back by the end of July; however, we set the terms of the loan up for four months.

Closing of the Owatonna WorkForce Center

- We do not have the Minnesota Family Investment Program (MFIP) contract in Steele County. The Department of Employment and Economic Development (DEED) did not renew their lease at the Owatonna WorkForce Center (WFC), and the Owatonna WFC was decertified to an affiliate office in 2017. Dislocated Worker (DW) projects and enrollments, along with Pathways to Prosperity (P2P) grants, did not materialize in the Steele County area. The office closed to Adult, DW, and walk-in traffic on April 23, 2018. Youth services are still at this office. Randy stated that we are still leasing space and trying to find funding to reopen the office. We relocated our DW Career Planner in Owatonna to the Austin office to assist with Bellisio Foods Project. The 25 people we enrolled in the Quad/Graphics grant were shifted to a caseload in Faribault. **Jeff Custer motioned for the temporary closing of the Owatonna WorkForce Center, Dee Sabol seconded. The motion was unofficially approved by an 11 to 0 vote.** We will plan a conference call before June 30, 2018, to give WDB members, who were unable to attend today's meeting, the opportunity to vote on action items and to satisfy the quorum requirement for approval.

One Stop Operating Partners – Wanda Jensen

- Wanda reported that infrastructure agreements and cost allocation plans are being worked on and are coming together. They will be done by the end of the month. The One Stop Operating (OSO) Partners are required to have a report that lists partner contributions for thirteen partners identified. Wanda plans to meet with each of the thirteen partners individually. The OSO Partners discussed details such as who the required partner is, their OSO contribution, any types of additional contribution(s), and contribution value. The State announced a new requirement stating that Adult Basic Education (ABE) must be on-site at the WorkForce Centers (WFCs). Randy is checking into this and what it looks like for the WFCs. There are timelines that go along with this new requirement. The meeting ended with partner updates given.

Taskforce and Work Group Reports

Emerging Workforce (Youth) Taskforce – Tami Walker

- The taskforce welcomed two new youth; one is studying social work, and the other is in a two-year laboratory science program. Jinny Rietmann talked about funding. The Workforce Innovation and Opportunity Act (WIOA) Youth Grant has been increased by 9%. The Minnesota Youth Program (MYP) and Youth Build grants are the same as last year. There are three new grants: the Healthy Transition and Homeless Prevention (HTHP), Temporary Assistance for Needy Families (TANF) Youth, and support services for youth in Red Wing. The strategic plan was reviewed, as well as the Experiential Learning Model. There was a discussion on how to restructure the taskforce next year to best connect employers and youth.

MaxAbility Employment Taskforce – Guy Finne

- Guy shared that after five years of serving as Chair of the MaxAbility Taskforce, he has stepped down. Dawn Kirchner from Mayo Clinic will be the new Chair. The taskforce will have some new subgroup leaders as well. On June 20th, the Southern Minnesota Disability Employment Network (SMDEN) will be hosting a panel discussion meeting focusing on mental health. August 15th will be the next networking meeting. The meeting will be featuring success stories, with managers coming in to share.

Salute Southern MN – Veterans Network – Guy Finne

- Guy indicated that he has stepped down as Chair of the Salute Southern MN Taskforce as well. Taskforce members, Nathen Cunningham and Anthony Bushman, are both Veterans and will serve as co-Chairs. On June 23rd, taskforce members will have a booth at the Minnesota Assistance Council for Veterans (MACV) Stand Down event. The taskforce is focusing on growing their relationship with several National Guard Units in the area. On August 5th, there is a barbeque planned with the National Guard Units.

Women and Minorities (Diversity and Inclusion) Work Group – Dee Sabol

- Members discussed and examined the vision of the work group. Julie Brock facilitated this discussion.

Previously Incarcerated Individual (Diversity and Inclusion) Work Group – Orlando Smith

- The work group met on May 29th. This was the first meeting since subcommittees were formed. Subcommittees were established focusing on employer engagement, the needs and barriers of the formerly incarcerated

individual, and communication. All subcommittees met and then reported to the full work group. Each subgroup reported on their missions, what they had accomplished, and goals. Discussions included being more specific in identifying barriers to those coming out of prison; the need to come up with a risk assessment, with the primary focus of connecting with employers on barriers to hiring those coming out of incarceration; and how the Communications subcommittee can be of support with messaging and communications to the prisons. The Communications subcommittee is also working on a logo to help in identifying the group. Orlando announced that the May 29th meeting was his last Work Group meeting. His last day at WDI is on July 27th. Guy Finne thanked Orlando for the work he has done. Jinny Rietmann announced that the second-year AmeriCorps VISTA position is currently posted.

Director's Report – Randy Johnson

Congressional Update

- Randy indicated that Congress passed a bill that resulted in a 9% increase in funding for our programs. The next budget is October 1, 2018. Congress has pre-settled our issue to be flat funded. There is one Federal discretionary grant put out for bid to help combat opioid addiction. Funding would support the prevention and treatment of those using opioids, as well as for those wishing to become chemical dependency counselors. WDI cannot work with active addicts; however, WDI plans to submit a grant application to fund training for customers wanting to become chemical dependency counselors.

Legislative Update

- Randy stated that there was not much accomplished at the State level.

New Grant Developments

- Bonton Stores, which includes Herberger's and Younker's stores, was sold to a liquidator firm. In SE Minnesota, we have stores in Austin, Albert Lea, and Rochester; totaling 1,800 full-time and part-time employees. WDI has submitted a request and will receive some project funding. Randy will be meeting with Herberger's employees at the Rochester store.

Nominating Committee

- Randy asked for volunteers to be on a Nominating Committee. They will work with Randy to identify prospective WDB candidates to serve as officers of the Management Committee and WDB for the next two years. The Nominating Committee will include Guy Finne and Jeff Custer.

August 2nd Regional Strategic Planning Session

- Randy explained that August 2nd will include a Personnel Committee Meeting, as Randy's annual review is due; a Management Meeting, to discuss the change in officers who will serve for two years. Cheryl Gustason by accession will move to the President role. The Strategic Planning Session will start at 11:30 am with lunch and a meeting. We are planning for a speaker, and the topic of the meeting will be tapping into the emerging workforce and nonparticipation in the workforce. Minnesota State youth and young adult trends and participation rates will be discussed.

Information Sharing

Further discussions took place around the questions: "Are we getting reduced numbers of young people in our industries?" "What are we doing to stimulate awareness/interest?" "What are we doing to keep older workers around longer?"

Upcoming Meetings

- There is no meeting in July. There will be a SE MN 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: 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 Thru: 31-May-18	Y-T-D Actual	Percent of Budget	Annual 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>