

SE MN Workforce Development Board

September 6, 2018, 2:00 PM

Workforce Development, Inc.

Rochester, Minnesota

Minutes

Members Present: Cheryl Gustason (Chair), Randy Johnson (Executive Director), Aaron Benike, Tony Bennett, Julie Brock, Brian Cashman, Jeff Custer, Guy Finne, Nadine Holthaus, Mandi Morrissey, John Pugleasa, Michelle Pyfferoen, Dee Sabol, Diane Simon, Wayne Stenberg, Rob Van Craenenbroeck, Joy Watson, Jim Wendorff, Jill Miller (Note Taker)

Others Present: Bryce Bjork, Susan Boehm, Sonji Davis, Jennifer Hamilton, Wanda Jensen, Jim Kingsley, Sydney Knoll, Vicki McKay, Jinny Rietmann, Jakki Trihey

A quorum was present, and Cheryl Gustason called the meeting to order. Introductions were made. **Guy Finne moved for consent of the September agenda; Diane Simon seconded, and the motion passed. Dee Sabol moved for consent of the April, June^{x2}, and August meeting minutes** (absence of a meeting quorum on May 3 and June 7, 2018); **Jim Wendorff seconded, and the motion passed.**

Program Reports

Management Committee – Jeff Custer

- **PY17 Year-End Fiscal Report: (Attachment A)** We ended PY17 at \$6,678,153 in actual revenue and expense, which was a little under the annual budget of \$7,128,347. The difference between those amounts was carried over into PY18. \$128,000 of the carry-in came from three major programs: Adult; Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker (DW); and State DW. We finished PY17 on track.
- **PY18 August Fiscal Report: (Attachment B)** The PY18 budget projection is \$7,865,256. It is estimated that we will end the Fiscal Year at \$8.5 million. Expenses came in as planned, and line items look good. The dues and subscriptions line item is high, as dues are paid at the beginning of the fiscal year.
- Randy Johnson indicated that the cash flow loan with Propel was paid back in full at the end of August. He noted that Workforce Development, Inc. (WDI) started the year with 70 funding streams of revenue and 38 projects. We are also hoping to open the Owatonna office by the end of the Program Year.
- The audit has begun. The field work will be conducted in September and October, with the goal of the audit being completed by December 14, 2018. The auditors will be prepared to present the audit report to the Workforce Development Board (WDB) in January.
- WDI is expecting an overall increase of 3% to medical insurance. This is very good, as the industry average is 9%.

Diane Simon moved to approve the PY17 Year-End and PY18 August Fiscal Reports; Guy Finne seconded, and the motion was approved.

One Stop Operating Partners – Wanda Jensen

- Wanda reported that partner updates were given. The Infrastructure Agreement has been presented to the Department of Employment and Economic Development (DEED). The total estimated Annual Infrastructure Cost Allocation is between \$3.6 and \$3.7 million. The Career Services Matrix goes along with the Infrastructure Agreement. Federal WIOA Law requires us to document workforce development-type activities between the required WIOA partners. The Matrix shows what services partners bring to the collective partnership. The partners also discussed performance measures. These are required from WDI, Vocational Rehabilitation Services (VRS), and DEED Job Service. The committee reviewed enrollment activity and shared other outcome measures of the partners. WDI has met or exceeded all performance measures. Only 3 out of the 16 Local Workforce Delivery Areas (LWDA) met or exceeded them all. The partners agreed that they would like to do more networking at future One Stop meetings.

Taskforce and Work Group Reports

Emerging Workforce (Youth) Taskforce – Wayne Stenberg

- A quorum was present. Nine students were chosen to receive youth scholarships, totaling \$19,038 in training funds. Three scholarship recipients attended the taskforce meeting for a question and answer session. WDI met or exceeded all of our WIOA youth measures for PY17.

MaxAbility Employment Taskforce – Julie Brock

- Julie shared that the taskforce has been doing strategic planning and restructuring of subgroups. Dawn Kirchner is the new Chair. The MaxAbility portion on the WDI website has been updated for employers and career seekers.

The Southern Minnesota Disability Employment Network (SMDEN) subgroup has been working on a four-series, which will include a short education piece and then time for a workshop for employers. The subgroup is hoping for a 25% increase in business participation. The taskforce will reconvene in November. Guy Finne shared information on the Assistive Technology Challenge opportunity, presented by Destination Medical Center (DMC) and Mayo Clinic. Orientation sessions will take place on September 13th and 14th. An Assistive Technology Expo is being held on Saturday, November 3rd. The Board can go to the DMC website for more information.

Salute Southern MN – Veterans Network – Guy Finne

- Guy reported that the taskforce has updated the Salute Southern MN page of the WDI website. Kenn Roehl is the new interim Chair and will serve in that role through the rest of this year. Taskforce members, Nathen Cunningham and Anthony Bushman, are both Veterans and will be serving as co-Chairs. The taskforce is focusing on networking and growing their relationship with several National Guard Units within our service area.

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

- The Work Group has been working on mapping out a plan. Members divided into two groups, one looking at relationship needs and one looking at technical/tactical needs of both employers and job seekers. In beginning that work, members decided that the group needs to meet more frequently.

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

- The work group met in July. The members have been working on changing the structure of work group and have established subcommittees focusing on employer engagement, the needs of the formerly incarcerated individual, and communication. The full work group will meet again on Tuesday, September 25th from 3-4:30pm. Margene Gunderson from Olmsted County will speak on Adverse Childhood Experiences (ACES).

Director's Report – Randy Johnson

Career Pathways Update

- Randy gave an update to the WDB. Specifically, he pointed out the Construction career pathway. WDI just finished the third cohort of construction-related training. The trainings have been in conjunction with either the Minnesota Department of Transportation (MnDOT) or the Laborers Union. WDI hired a Construction Navigator, Bryce Bjork. WDI just finished a Skilled Construction Craft Laborers Training, in conjunction with the Laborer's Union. On August 30th, eight trainees, two women and six men, had an opportunity to interview onsite with commercial employers. A graduation ceremony took place on August 31st. Thus far, five have gotten jobs. WDI is hoping to hold public sector-related and manufacturing-related career pathways trainings.

Congressional Budget Update

- There is a continuing resolution until October 1, 2018; we are level funded. There is speculation that we could have a mini-Federal shutdown; however, we are forward funded to June 30, 2019, and those funds are already appropriated so a federal shutdown should not affect us. Randy will continue to send updates.

Legislative Update

- Randy is continuing to meet with Commissioner Jeremy Miller on the State Workforce Development Fund (WDF). He is hoping to reintroduce a bill that would allow local WDBs to make more decisions on how the money is spent. Randy stated that "Plan B" would be for DEED to distribute the funds, but be required to get the approval of the local WDB to disperse funds.
- Randy announced that WDI, the Rochester Area Chamber of Commerce, and Southeast Service Cooperative will share a Business Liaison position. This will be a cost-share position. He meets with the Chamber next week to work on the job description. The idea of a shared position has been in the works for quite some time and should bring great value to all the organizations involved.
- At the Joint Powers Board (JPB) meeting next week, we will be seating 4-5 new Workforce Development Board (WDB) members. We should have eight new Board members in total this fall. President Jeffery Boyd from Rochester Community and Technical College (RCTC) will be seated as the Public Higher Ed member. Julie Brock is leaving to take an Executive Director position with Cradle to Career; her last day is today. Marleen Lundberg, the DEED Job Service Area Manager in Rochester, will fill the Wagner Peyser seat.

Information Sharing (Board members)

Further discussions took place around the questions: "What are some of the insurance costs that are inhibitors to hiring, including Healthcare and Worker's Compensation and what are some suggested solutions?"

Other Area Activity/Upcoming Meetings

- Dee Sabol shared that there will be an EquityLogic training on Friday, September 21st from 8-10am at Woodlake. The six-part training series takes place every other month. Those interested can register on the Rochester Area Chamber of Commerce website.
- Brian Cashman announced that the Southeast Perkins Consortium is sponsoring an event at the Chatfield Center

for the Arts on Monday, September 24th from 8-10am. Mark Perna will be speaking on "Answering Why: Unleashing Passion, Purpose, and Performance in Younger Generations." Brian will send the event flyer to Jill Miller to forward onto Board members.

- The next WDB meeting is scheduled for Thursday, October 4th.

Motion to adjourn the meeting by Jim Wendorff; Wayne Stenberg seconded, and the motion passed.

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-Jun-18	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	1,597,437	87.6%	1,823,357
Youth Employment & Training	1,086,204	88.3%	1,229,630
Dislocated Workers	1,244,323	89.9%	1,384,360
	<u>3,927,964</u>	<u>88.5%</u>	<u>4,437,347</u>
Fees for Service/Other:			
Welfare Reform	2,733,005	101.9%	2,681,000
Custom Training	2,790	55.8%	5,000
Donations	14,394	287.9%	5,000
	<u>2,750,189</u>	<u>102.2%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u><u>6,678,153</u></u>	<u><u>93.7%</u></u>	<u><u>7,128,347</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>6,678,153</u></u>	<u><u>93.7%</u></u>	<u><u>7,128,347</u></u>

Changes Since Last Report:

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Total Change	<u><u>2,463</u></u>

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

From: 1-Jul-17 Thru: 30-Jun-18	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	3,253,634	98.6%	3,298,244
Payroll taxes & benefits	1,052,204	99.8%	1,054,727
Subcontracted services	170,763	53.1%	321,318
Staff development/conferences	37,151	96.2%	38,600
Travel	90,171	99.9%	90,300
Board expenses	14,250	95.0%	15,000
Telephone	54,489	99.1%	55,000
Postage	10,055	83.8%	12,000
Utilities	46,490	96.9%	48,000
Marketing	4,696	72.3%	6,500
Dues and subscriptions	18,006	95.6%	18,825
Auditing & legal fees	19,160	91.2%	21,000
Maintenance	60,849	99.8%	61,000
Rent and occupancy	404,904	100.0%	405,000
Insurance	18,420	83.7%	22,000
Supplies and other	116,614	98.5%	118,344
Equipment	6,594	65.9%	10,000
Equipment rental	90,674	97.7%	92,800
Classroom training	835,486	90.5%	923,570
Participant support	245,962	72.7%	338,348
OJT contracts/wage subsidy	17,866	38.6%	46,263
Participant Wages	90,464	76.6%	118,056
Participant Fringe	12,888	92.4%	13,953
Other training expenses	14,781	128.5%	11,500
Workforce Center Partner Billing	-8,417	70.14%	-12,000
	<u>6,678,153</u>	<u>93.68%</u>	<u>7,128,347</u>

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

From: 1-Jul-18 Thru: 31-Aug-18	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	117,146	5.3%	2,198,738
Youth Employment & Training	103,403	6.9%	1,491,811
Dislocated Workers	127,201	8.8%	1,449,707
	<u>347,751</u>	<u>6.8%</u>	<u>5,140,256</u>
Fees for Service/Other:			
Welfare Reform	217,758	8.0%	2,715,000
Custom Training	0	0.0%	5,000
Donations	4,662	93.2%	5,000
	<u>222,420</u>	<u>8.2%</u>	<u>2,725,000</u>
Total Recognized Revenues	<u>570,170</u>	<u>7.2%</u>	<u>7,865,256</u>
Unrecognized Revenues:			
Unbilled Welfare Reform	17,444	0.0%	0
Unallocated Indirect Costs	80,121	0.0%	0
	<u>97,565</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u>667,735</u>	<u>8.5%</u>	<u>7,865,256</u>

Changes Since Last Report:

Total Change	<u><u>0</u></u>
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ATTACHMENT B**Workforce Development, Inc.****BUDGET to ACTUAL by programs/function**

From: 1-Jul-18 Thru: 31-Aug-18	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	305,941	8.3%	3,664,897
Payroll taxes & benefits	97,901	8.3%	1,172,962
Subcontracted services	8,511	2.7%	312,621
Staff development/conferences	2,074	4.5%	45,600
Travel	7,925	7.2%	110,120
Board expenses	2,210	11.0%	20,000
Telephone	9,799	14.0%	70,000
Postage	1,380	9.2%	15,000
Utilities	6,803	11.9%	57,000
Marketing	1,435	5.7%	25,000
Dues and subscriptions	7,931	37.2%	21,325
Auditing & legal fees	893	4.3%	21,000
Maintenance	9,352	12.8%	73,000
Rent and occupancy	63,944	15.1%	423,000
Insurance	3,814	17.3%	22,000
Supplies and other	18,912	14.1%	133,939
Equipment	5,832	19.4%	30,000
Equipment rental	14,526	15.3%	94,800
Classroom training	57,620	6.2%	930,553
Participant support	30,480	6.9%	443,295
OJT contracts/wage subsidy	7,500	20.0%	37,500
Participant Wages	5,082	4.2%	119,757
Participant Fringe	737	4.2%	17,446
Other training expenses	0	0.0%	12,440
Workforce Center Partner Billing	-2,865	35.81%	-8,000
	<u>667,735</u>	<u>8.49%</u>	<u>7,865,256</u>