

JOINT POWERS BOARD

January 10, 2019, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Dan Belshan (Chair), Wanda Jensen (Acting Director), Brian Ashton, Susan Boehm, Cheryl Key, Mitch Lentz, Jinny Rietmann, Rhonda Toquam, Steve Underdahl, Teresa Walter, Jill Miller (note taker)

A quorum was present and Dan Belshan called the meeting to order. Introductions were made and new Rice County Commissioner, Steve Underdahl, was welcomed. **Teresa Walter moved for consent of the January agenda; Rhonda Toquam seconded, and the motion passed. Cheryl Key moved for consent of the November meeting minutes; Teresa Walter seconded, and the motion passed.**

Fiscal – Brian Ashton

- **Fiscal Report: (Attachment A)** There have been no changes to the budget since the last reporting period. We are 50% of the way through the Fiscal year and 38.9% expended with an annual budget of \$7.9 million. Brian explained the revenue by fund source to the new Joint Powers Board (JPB) member, including information about funding streams, grants, and other sources of revenue. Salaries and fringe lag behind at 39.8%; all other line items should be at 50% for the year. We are in good shape. We have seen an uptick in classroom training for spring semester. We have obligated 96% of our State Dislocated Worker (DW) and 70% of our Workforce Innovation and Opportunity Act (WIOA) for spring semester. Additional WIOA money will not be available until October 2019. We will be requesting a \$300,000 bump in State DW funds for summer semester. We need to submit a Request for Proposal (RFP) by the first week of February, for consideration and approval at the March 5th Minnesota Job Skills Partnership (MJSP) Board meeting.
- Brian added that Shopko announced this morning that they are filing for bankruptcy protection. Shopko pharmacies in the area have already closed. Hy-Vee Pharmacies bought out most of the Shopko Pharmacies. Apparently, they owe \$67 million in drug prescription costs to one of their pharmaceutical companies. He also made note that we will not be affected by the Federal government partial shutdown. We are forward funded until July 2019. Funds for Supplemental Nutrition Assistance Program (SNAP) should not be affected until March 2019, should the partial shutdown continue. **Cheryl Key moved to approve the Fiscal Report; Rhonda Toquam seconded, and the motion was approved.**

Program Reports

Dislocated Worker (DW) – Wanda Jensen

- The Bellisio Foods grant is for \$240,000 to serve 60 workers in Austin. Enrollments have stayed the same at 41 people enrolled; we have expended \$124,639 to date. We submitted a request to the Department of Employment and Economic Development (DEED) for an extension of this project until December 31, 2019. As part of the proposal, we had to explain the training and why we need the extension. We are hoping for an answer from DEED soon, as we have obligated training dollars. As Brian mentioned in his Fiscal Report, we will be going in for a bump in State DW money. Shopko announced this morning that they are filing for bankruptcy protection. Wanda met with Steve Bahl of the Branding Iron in Preston; they are closing on January 19th. Both Baker's Square locations in Rochester closed last week.
- The Federal Department of Labor (DOL) 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 could get up to \$5 million, and Minnesota responded. The State heard in July that they were not successful in attracting the grant. Now the DOL has issued a new round of grant applications. It appears that the State resubmitted this grant application in October 2018, with no news of funding at this time.

Youth – Jinny Rietmann

- WDI was recently awarded an APEX (Minnesota Registered Apprenticeship Expansion Grant) Career Exploration Grant in the amount of \$20,000 to provide career exploration activities in partnership with local registered apprenticeship programs. This will be working with the Alternative Learning Centers (ALCs) in Rochester and Byron.
- Jinny shared Minnesota Youth Program (MYP) final performance highlights from Program Year, July 1, 2017, to June 30, 2018. A total of 346 youth were served in intensive services during this program period, as compared to 276 served last year. An additional 681 youth were served in Outreach to Schools Programming. A total of 76 were exited. We are seeing more youth with barriers. Youth with disabilities made up 48.6%, offenders made up

18.2%, and youth who were pregnant/parenting made up 19.4% of the demographics. Almost all of the youth are receiving education, job training, post-secondary exploration, career guidance, and planning. Youth participating in work experience activities totaled 129 youth. Performance, based on the 76 exited youth: 73 youth (96.1%) attained work readiness or educational goals; 38 youth (50%) received academic/service learning credits; 32 youth (42.1%) obtained their high school diploma or GED (28% attained their high school diploma or GED prior to enrollment); and 52 youth (68.4%) entered post-secondary education, occupational skills training, military, or employment.

- The Scholarship Committee met on December 6th, 2018, and chose seven recipients for a total of approximately \$25,000 in training funds for spring semester. Members of the Emerging Workforce Taskforce will be attending the Rochester Community and Technical College (RCTC) OAKS (Overcoming Adversity Keeping Strong) Event this evening. This is RCTC's annual fundraising event and scholarship banquet. They give away four to five scholarships to at-risk youth every year. We hope to gain ideas on ways we could replicate a similar event to raise funds for additional scholarships at WDI.

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

- Wanda reported that all of the county MFIP contracts are in for 2019. We came in at just over \$2.6 million in contract money this year. This is down a little from last year. Since the Joint Powers Board (JPB) last met, we learned that Olmsted County received an extra \$44,000 that we can earn this spring and summer by implementing some new ideas. The \$44,000 will be added to the budget.
- Wanda is closely watching what is happening with SNAP. Hopefully the partial shutdown will end before it affects SNAP. SNAP is tied to the Farm Bill. If the Federal government partial shutdown continues, this would affect existing recipients, as well as new applicants. Both would not receive anything.
- Of note, we are forward funded to July 2019. The Labor Department is not affected in the partial shutdown. MFIP and the Diversionary Work Program (DWP) are excluded from the shutdown and will be funded.

Workforce Innovation and Opportunity Act (WIOA) – Wanda Jensen

- Wanda reported that we have seen an uptick in classroom training dollars. Additional WIOA money will not be available until October 2019. Wanda reported that some WIOA funds have already been obligated for training once we receive them in October.
- Workforce Development Board (WDB) Member Requirements & Term Limit Policy Letter
Much of the information stated in the policy letter is also referenced in our Corporate By-Laws, but needs to be expanded in light of a new Federal regulation and State of Minnesota policy. Wanda Jensen reviewed a draft of the expanded policy, making note of the following:
 - Vacancies must be filled within 90 days of the date the vacancy occurs. In the event that a vacancy cannot be filled within 90 days, a waiver must be requested in writing from DEED with an explanation of why a vacancy was not filled and a description of the process underway to fill the vacancy. There are currently three vacancies on the WDB that we are working to fill. We are currently working with a business in Houston County for that open seat and working on replacing a representative from Ellingson in Dodge Center. We also are working on filling the Freeborn County seat.
 - Diversity: Any time a vacancy occurs, the first priority in the nomination process is to select individuals that reflect the race, ethnicity, gender, disability, and geographic diversity of Southeast Minnesota. Similarly, no existing member of the Workforce Development Board (WDB) will be dismissed from the Board because of their race, ethnicity, gender, or disability. Vacant seats of the Board shall not remain open for any extended period of time due to a lack of diverse applicants. A deliberate and intentional effort will be made to recruit diverse and under-represented populations to be members of the subcommittees and taskforces of the Board.
 - Term and Term Limits: No WDB member shall occupy a seat on the Board for more than five full consecutive terms or eighteen years total; officers of the WDB shall not hold the same Board officer title for more than three consecutive terms or eight years total. Randy noted that Board seat could be held by a different person at the same company or we could fill the seat with a different company.

Motion to approve the expanded policy letter as written by Cheryl Key; Teresa Walter seconded; and the motion was approved.

Director's Report – Wanda Jensen

Congressional Update

- We have been keeping a close watch on Governor Tim Walz's appointments. Governor Walz has chosen Steve Grove, founding director of the Google News Lab, as the new DEED commissioner. Commissioner Grove will start on January 28th. Anne Kilzer, Director of the Minnesota Workforce Council Association (MWCA), has an

appointment to meet with Commissioner Grove after he starts. Commissioner Grove is scheduled to talk with the MWCA Operations Committee, which both Anne and Randy Johnson are a part of.

Legislative Update

- Randy and his MWCA colleagues are continuing to work on revising a bill that would allow for local WDBs to make more decisions on how the money is spent in the Workforce Development Fund (WDF). The latest revision includes specific language stating that a minimum percentage, yet to be determined, of the WDF should be regularly allocated to local Boards. A percentage would still go towards competitive grants. However, Boards would have access to the money and local control of a minimum percentage of funds.
- A group in Owatonna met to talk about putting together some legislation for a direct appropriation around career pathways with the intent of bringing funding into the area for manufacturing and to help re-establish a WDI office in Owatonna. The group plans to meet again.

January 11th "State of the Workforce Forum" Details

- Tomorrow's event is being sponsored by both the WDB and the Winona Workforce Council. We are expecting a great turnout; we currently have 104 confirmed attendees. Following the two guest speakers, we will have roundtable discussions showcasing some of the initiatives we are working on to meet regional workforce challenges.

Staff Computer Equipment Purchase/Lease Approval

- WDI is overdue for staff computer updates. John Schaber, WDI's Information Technology (IT) Coordinator, is gathering pricing information. We are looking at both laptops and desktops for staff. We are encouraging use of laptops, as more staff are getting out into the communities. WDI signs a three-year lease agreement for the computers.
- WDI has a printer contract with Marco for all WDI offices except Rochester. We are getting to the point where our printers in Rochester are beginning to fail. WDI is considering changing the Rochester printer contract to Marco as well. It is much more cost effective, and the contract includes the cost of toner.

Rhonda Toquam moved to approve the lease of new staff computer equipment; Mitch Lentz seconded, and the motion was approved.

- Mitch Lentz inquired about contracting out IT support versus having regular WDI IT staff. He stated that Marco has representatives around the state to assist with IT support. He believes it can be difficult to keep up with technology that is constantly changing, and contracting Marco could help with this. Wanda indicated that contracting out IT support may be something to research.

Retaining Employment and Talent After Injury/Illness Network (RETAIN) Grant Progress

- WDI, DEED, and Mayo Clinic, along with other partners, have been awarded a two-year, \$2.2 million U.S. Department of Labor (DOL) RETAIN Grant. The grant includes planning dollars and work experience funds to help those who have experienced a workplace injury. The grant will allow for career planning and work experience trials for people, to help move them back into the workforce sooner. Mayo Clinic will be making referrals to WDI. This is a pilot year; and if all goes well, they will look to getting grant funding for the state. Jakki Trihey will be the WDI lead on this grant during Randy Johnson's leave of absence. She and the grant committee meet one to two times a week.

Board Roster Review/Election

- The Vice-Chair position is now vacant with the departure of Commissioner Steve Bauer. **Motion by Cheryl Key to nominate Teresa Walter as JPB Vice-Chair; seconded by Mitch Lentz, and the motion passed. There being no further nominees, Cheryl Key motioned to cast a unanimous ballot for Teresa Walter as JPB Vice-Chair; Mitch Lentz seconded, and the motion passed.**
- Tony Bennett, a Mower County Commissioner who is no longer serving on the JPB, had been representing the JPB at the Management Committee and WDB meetings. Now that Tony is no longer serving on the JPB, a new representative should be appointed. **Cheryl Key moved to appoint Mitch Lentz to represent the JPB at the Management Committee and WDB meetings, Rhonda Toquam seconded, and the motion of was approved.**

DEED Fiscal Policy Update

- Wanda reviewed that we have a Master Grant Reimbursement Contract with DEED through 2021. All of the grants that come to us through DEED are covered under the Master Grant Reimbursement Contract. Attached to this Master contract is an addendum that is renewed annually. The addendum calls for cash advances; as a nonprofit, WDI can only have two to three days of money on hand. Brian Ashton anticipates what amount is needed to pay bills and sends in a cash request to DEED. The money is disbursed to WDI within a few days. DEED, through their Chief Financial Officer (CFO), announced that they will now require WDI to submit 100% documentation of everything submitted to DEED for reimbursement. This would apply to subcontractors as well. Wanda and Brian sat in on a meeting with Randy Johnson's peers on the MWCA; thinking through what the group wants their response to DEED to be. The MWCA has asked for a meeting with the new DEED Commissioner,

Steve Grove, as soon as possible. We would ask DEED to be reasonable with their requirement. All Service Delivery Areas are refusing to comply with the order until they get clarification and technical guidance.

Other and Public Comment

- Wanda indicated that she attended a meeting in Fillmore County regarding the workforce needs at the Preston Veteran's Home. Career and Technical Education Center (CTECH) and Fillmore Central were present; discussing what they can do to train youth while they are still in high school. The Veteran's Home will be a 54-bed facility, with 100 total employees, 80 of which will be full-time.
- Susan Boehm talked about the three Pathways to Prosperity (P2P) grants we were awarded. The grants started on July 1st and will go through June of 2020. Susan has been working on building relationships with the trade unions, as well as on short-term, 4-week trainings. Participants have two weeks of essential, soft skills training and two weeks with union trainers. The trainings are in conjunction with the following unions: 1) Operating Engineers/Local 49ers (January 22-February 15); Cement Masons, Plasters, and Shop Hands; and Laborer's Union. We have had great success with the trainings so far. Susan will send JPB members the beginning/final numbers of participants starting/completing the trainings.
- Wanda called attention to another career pathway program in the public sector. This pathway is designed to move low income or those on public assistance to an employee of the county. The participants are receiving customer service training.
- Jinny discussed the P2P River Region Manufacturing Program in Goodhue, Wabasha, Houston, and Winona Counties. The first class was in Red Wing (Goodhue County) in October, which went very well. Participant numbers in the other counties were very low. The grant was originally designed to offer manufacturing courses to those within the jails. After low participant rates in Wabasha, Houston, and Winona Counties, we decided to open the training to external participants; those who were previously incarcerated or have a criminal background. Jinny feels confident that we will have a higher number of participants in the next trainings, scheduled for March in Winona and Houston Counties and May in Wabasha County.
- At Randy Johnson's request, Wanda Jensen was named Acting Director of WDI by officers of the WDB. Randy also asked that the Boards vote to add Wanda as an authorized signatory, allowing her to sign documents while Randy is away. **Cheryl Key moved to approve Wanda Jensen as Acting Director of WDI, to include all responsibilities that come with that including signatory authority; Teresa Walter seconded, and the motion was approved.**

Next Meetings

- Thursday, March 14th and Thursday, May 9th

Dan Belshan adjourned the meeting.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

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

From: 1-Jul-18	Y-T-D	% of	Annual
Thru: 31-Dec-18	Actual	Budget	Budget
Grants:			
Adult Employment & Training	690,347	31.2%	2,209,634
Youth Employment & Training	569,307	38.1%	1,495,647
Dislocated Workers	631,602	44.1%	1,432,260
	<u>1,891,256</u>	<u>36.8%</u>	<u>5,137,541</u>
Fees for Service/Other:			
Welfare Reform	1,064,979	39.1%	2,725,400
Custom Training	0	0.0%	5,000
Donations	11,755	235.1%	5,000
	<u>1,076,734</u>	<u>39.4%</u>	<u>2,735,400</u>
Total Recognized Revenues	<u><u>2,967,990</u></u>	<u><u>37.7%</u></u>	<u><u>7,872,941</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	8,505	0.0%	0
Unallocated Indirect Costs	86,331	0.0%	0
	<u>94,837</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>3,062,826</u></u>	<u><u>38.9%</u></u>	<u><u>7,872,941</u></u>

Changes Since Last Report:

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

From: 1-Jul-18	Y-T-D	Percent	Annual
Thru: 31-Dec-18	Actual	of Budget	Budget
Salaries and wages	1,460,164	39.8%	3,672,297
Payroll taxes & benefits	466,891	39.7%	1,175,302
Subcontracted services	61,566	19.7%	312,621
Staff development/conferences	20,070	44.0%	45,600
Travel	47,109	42.8%	110,120
Board expenses	9,313	46.6%	20,000
Telephone	25,908	37.0%	70,000
Postage	4,876	32.5%	15,000
Utilities	18,452	32.4%	57,000
Marketing	4,787	19.1%	25,000
Dues and subscriptions	10,624	49.8%	21,325
Auditing & legal fees	3,385	16.1%	21,000
Maintenance	28,592	39.2%	73,000
Rent and occupancy	194,669	46.0%	423,000
Insurance	10,663	48.5%	22,000
Supplies and other	56,902	42.3%	134,429
Equipment	5,832	19.4%	30,000
Equipment rental	42,783	45.1%	94,800
Classroom training	412,144	44.3%	930,453
Participant support	123,892	28.1%	440,850
OJT contracts/wage subsidy	14,347	38.3%	37,500
Participant Wages	34,126	28.5%	119,757
Participant Fringe	4,949	28.4%	17,446
Other training expenses	3,645	29.3%	12,440
Workforce Center Partner Billing	-2,865	35.8%	-8,000
	<u>3,062,826</u>	<u>38.9%</u>	<u>7,872,941</u>