

JOINT POWERS BOARD

November 8, 2018, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Steve Bauer (Vice-Chair), Randy Johnson (Executive Director), Brian Ashton, Ken Brown, Rick Gnemi, Cheryl Key, Wanda Jensen, Mitch Lentz, Rhonda Toquam, Teresa Walter, Jill Miller (note taker)

A quorum was present and Steve Bauer called the meeting to order. **Ken Brown moved for consent of the November agenda; Cheryl Key seconded, and the motion passed. Rick Gnemi moved for consent of the October meeting minutes; Rhonda Toquam seconded, and the motion passed.**

Fiscal – Brian Ashton

- PY18 November Fiscal Report: (Attachment A) There have been three changes to the budget since the last reporting period. We added \$2,600 in carry-in from last year that we received from Hawthorne for the Bremer Grant; scholarship money for administrative professionals. We returned the BonTon Grant to the Department of Employment and Economic Development (DEED) due to low enrollment, impacting this month's budget by \$40,000. We will take the enrolled individuals and roll them into our State Dislocated Worker (DW) allocations. We received Minnesota Family Investment Program (MFIP)/Teen-Parent resources from Olmsted County in the amount of \$10,400 to perform Teen Parenting outreach. This runs through December 31, 2018. We have a Career Planner doing outreach work with the high-school teens, alongside a social worker. Since running this report, there have been two additions that will be reflected on next month's Fiscal Report. We received \$8,300 in Federal Workforce Innovation and Opportunity Act (WIOA) Adult money that was reallocated from the State from PY16 funds. We also received \$22,500 from the WIOA Dislocated Worker money. Brian stated that while our revenue was down \$27,000 this month, we will be back up by \$30,800 next report; which is nearly stable. Randy Johnson noted that the lion's share of the reallocated money was funds from Winona County, which they did not spend for the third year in a row. Another regional meeting with Winona County and the officers of our Workforce Development Board (WDB) and Joint Powers Board (JPB) is due to be scheduled. We will coordinate this.
- Randy also mentioned that there will be another upcoming change to the Fiscal Report. Workforce Development, Inc. (WDI), DEED, and Mayo Clinic, along with other partners, have been awarded a two-year, \$2.2 million 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 year is a planning phase year. In addition, two states will be chosen to receive \$20 million for another 3.5 years to demonstrate this pilot to other employers in the state.
- Salaries and fringe lag behind at 23.4%; all other line items should be at 33% for the year. We have satisfied about 90-93% of the outstanding vouchers for the fall semester in the classroom training line item; looking good. We will be starting to obligate spring semester soon. We are still waiting for the full allocation of the WIOA Adult and DW Federal dollars; however, we received notification from the State yesterday that they have received them. For the WorkForce Center partner billing line item, we bill our partners quarterly. The line item in the budget will be a negative number because this is money coming to WDI from our partners. We are on budget at 35.81% with this line item. **Rick Gnemi moved to approve the Fiscal Report; Cheryl Key seconded, and the motion was approved.**

Program Reports

Dislocated Worker (DW) – Randy Johnson

- WDI had planned to serve 20 individuals with the BonTon Grant, with an \$80,000 budget. We returned the grant to DEED and reassigned this money to the regular State Dislocated Worker (DW) allocation. 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 \$118,415 to date. We have 25 people enrolled in the Quad/Graphics grant; we are on track with this grant. We submitted a modification to extend the BARD Medical grant to an end date of December 31, 2018. We are on target and will come close with our enrollments.
- We have expended our PY16 and PY17 State DW allocations and are now on PY18. We have 147 enrolled, with a planned enrollment of 110, in the Federal WIOA DW Program. We have 268 enrolled, with a planned enrollment of 220 in the State DW Program. We are continuing to see enrollments in both Federal and State DW programs.

- As early as late February, we were hearing reports that Rust Consulting in Faribault would close at the end of 2018. We have been unable to get any confirmation of this from the company. On October 29, 2018, we received a brief note stating that they currently have no DW slated for layoff, but that the last lay-off had occurred in late-June. Because we are unsure if the reports are true and about the number of people remaining at the Faribault office, this may not become a grant for us. International Food Processing (IFP) and Seneca Foods will not become WDI grants.
- 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 can get up to \$5 million, and Minnesota responded. The State heard that they were not successful in attracting this grant. There was a new round of grant applications issued, which the State applied for this month. WDI hasn't heard back regarding this.

Youth – Randy Johnson

- Randy reported that WDI received a portion of a special grant to deflect youth homelessness; to provide outreach for youth under 24 years old. WDI posted a position to focus on youth homelessness. We have offered the position to a person who will be working out of the office space we rent in Owatonna. We are also focusing on getting more youth into work experiences.

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

- Wanda provided a welfare reform programs performance update. Participants are still not reaching full-time hours on MFIP and DWP (Diversionary Work Program). Lack of childcare is the biggest obstacle. Overall, enrollment numbers are down about 65 people from last year, but placements are up. Wages are up almost \$1.00 over this time last year. The average age at enrollment is 29-35 years old. Self-disclosed information from recipients in nine WDI counties indicates that 15% are disabled, 7% are homeless (which is high), and 10% are ex-offenders. Recipients are primarily white; Olmsted and Rice Counties see more diversity. They are predominantly women, 77.31%. Wanda noted that 27% have some college or a degree.
- Wanda is currently negotiating county MFIP contracts for 2019. We do not have the MFIP contract in Steele County. The Dodge County allocation will stay the same as last year.
- The Supplemental Nutrition Assistance Program (SNAP) becomes voluntary on December 1, 2018, in Minnesota. Customers are continuing to make appointments to come into WDI for SNAP.

Workforce Innovation and Opportunity Act (WIOA) – Randy Johnson

- Randy noted that we have our second allotment of WIOA funds coming. He also commented that WIOA is up for reauthorization in the Summer of 2019. No other updates.

Director's Report – Randy Johnson

White House Executive Order on Job Training

- Nothing new to report.

RETAIN Grant Progress

- As discussed in the Fiscal Report (above).

Legislative Update – Draft Revision of Workforce Development Fund

- Randy is continuing to work on a 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). He shared a copy of the proposed revisions to the statute. The revisions would include specific language that would build in a floor of a minimum of 40 percent of the funds for dislocated workers. The revised language would also state that the balance of the overall fund may be appropriated by the legislature, but that the appropriations must consider the target populations to be served and the targeted industrial sectors referenced within the State and regional Workforce Development Plans. Randy's peers from around the state and the Minnesota Workforce Council Association (MWCA) legislative committee plan to finalize the revised bill and seek legislators to sponsor the bill.

Approval of Revised Bylaws

- Randy shared a draft of the WDB Bylaws with Board members. The specific paragraph that is being amended is on Page 7, Section 7 – Voting Rights. Previous wording did not allow for the WDB to have a teleconferenced meeting. The revised draft version of the Bylaws indicates that under rare circumstances, a special Board meeting may be conducted via teleconference or similar communication device. **Ken Brown moved to amend the wording on Page 7, Section 7 – Voting Rights, to indicate that "under extraordinary circumstances, a special Board meeting may be conducted via teleconference or similar communication device;" Cheryl Key seconded, and the motion passed.**

Seating of New WDB Member

- The Director recommended seating **Shelly Caldwell**, from Marco, to fill the vacant Private Olmsted County Seat on the WDB. **Cheryl Key moved to approve the seating of Shelly Caldwell to the WDB; Rick Gnemi seconded, and the motion was approved.**

DEED's New Policy on Grant Reimbursement & Documentation

- Randy explained that we have a Master Grant Reimbursement Contract with DEED through 2021. WDI has 70 different funding streams; 30-40 of those are major programs that come through DEED to WDI. 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. Randy notes that there is another provision in the Master contract and from the Federal Register, about the Paper Reduction Act. The purpose of the Act is to minimize the paperwork burden for small businesses, nonprofits, and individuals resulting from the collection of information by government. WDI has had DEED in session, and DEED is not budging on the new regulation of submitting 100% documentation. Randy also asked DEED for clarification and technical assistance, but has not gotten a definite answer from DEED. He stated that DEED has issued an order to WDI stating that we are now noncompliant with the order. Randy discussed that his motion to DEED was that WDI would give them a week to change their mind on the requirement or WDI would need to get a lawyer involved to get a stay to this policy as it is onerous, violates Federal statute, and puts a hardship on WDI. He pointed out to the Joint Powers Board (JPB) that if we cannot get this resolved with DEED by January, we may need to get a lawyer involved. Randy will keep the Board abreast of the situation.

Staffing Updates

- The navigators for the Pathways to Prosperity (P2P) Grants are now in place.
- The cost-share position with the Rochester Area Chamber of Commerce and Southeast Service Cooperative has been reposted.
- We received some extra money back from Winona County and will use the funds to create a navigator position in Houston and Fillmore Counties to make connections with employers. Dee Slinde, our current Career Planner at the Caledonia office, will move into this position. We will post and refill the Caledonia Career Planner position.
- Randy noted that the Houston County seat on the WDB is currently vacant. He stated that two businesses are considering Board membership; either from Fastenal or FlexCraft.

Next Meetings

- Thursday, January 10, and Thursday, March 14, 2019.

Other and Public Comment

- Cheryl Key announced that Lake City made history with four women being elected to city council. Women are now the majority on the council.
- Kim Norton was elected mayor of Rochester.
- This was Steve Bauer's last meeting.

Steve Bauer adjourned the meeting.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

ATTACHMENT A

From: 1-Jul-18
 Thru: 31-Oct-18

	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	394,049	17.9%	2,201,338
Youth Employment & Training	315,523	21.2%	1,491,811
Dislocated Workers	430,422	30.5%	1,409,707
	<u>1,139,994</u>	<u>22.3%</u>	<u>5,102,856</u>
Fees for Service/Other:			
Welfare Reform	633,591	23.2%	2,725,400
Custom Training	0	0.0%	5,000
Donations	6,804	136.1%	5,000
	<u>640,395</u>	<u>23.4%</u>	<u>2,735,400</u>
Total Recognized Revenues	<u>1,780,389</u>	<u>22.7%</u>	<u>7,838,256</u>
Unrecognized Revenues:			
Unbilled Welfare Reform	24,508	0.0%	0
Unallocated Indirect Costs	78,209	0.0%	0
	<u>102,718</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u>1,883,106</u>	<u>24.0%</u>	<u>7,838,256</u>

Changes Since Last Report:

Hawthorne Bremer	2,600
Bon-Ton	(40,000)
MFIP Teen-Parent	10,400
Total Change	<u>(27,000)</u>

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

From: 1-Jul-18	Y-T-D	Percent	Annual
Thru: 31-Oct-18	Actual	of Budget	Budget
Salaries and wages	857,670	23.4%	3,662,047
Payroll taxes & benefits	274,147	23.4%	1,172,022
Subcontracted services	36,883	11.8%	312,621
Staff development/conferences	6,988	15.3%	45,600
Travel	29,154	26.5%	110,120
Board expenses	3,681	18.4%	20,000
Telephone	18,084	25.8%	70,000
Postage	3,274	21.8%	15,000
Utilities	13,584	23.8%	57,000
Marketing	1,708	6.8%	25,000
Dues and subscriptions	8,714	40.9%	21,325
Auditing & legal fees	893	4.3%	21,000
Maintenance	19,670	26.9%	73,000
Rent and occupancy	129,209	30.5%	423,000
Insurance	7,205	32.8%	22,000
Supplies and other	34,145	26.7%	127,965
Equipment	5,832	19.4%	30,000
Equipment rental	28,555	30.1%	94,800
Classroom training	301,240	32.7%	921,153
Participant support	73,215	16.7%	439,295
OJT contracts/wage subsidy	9,609	25.6%	37,500
Participant Wages	18,442	15.4%	119,757
Participant Fringe	2,674	15.3%	17,446
Other training expenses	1,395	11.2%	12,440
Workforce Center Partner Billing	-2,865	35.81%	-8,000
	<u>1,883,106</u>	<u>24.01%</u>	<u>7,842,092</u>