

SE MN Workforce Development Board

March 1, 2018, 2:00 PM
Workforce Development, Inc.
Rochester, Minnesota

Minutes

Members Present: Guy Finne (Chair), Randy Johnson (Executive Director), Aaron Benike, Julie Brock, Brian Cashman, Jeff Custer, Cheryl Gustason, Nadine Holthaus, Laura Link, Erin Main, Mandi Morrissey, Kris Pierce, John Pugleasa, Jim Root, Dee Sabol, Diane Simon, Andy Toft, Rob Van Craenenbroeck, Joy Watson, Jim Wendorff, Jill Miller (Note Taker)

Others Present: Beth Christensen, Marsha Danielson, Sonji Davis, Jennifer Hamilton, Wanda Jensen, Gerry Krage, Marleen Lundberg, Lonnie Otterson, Mike Postma, Mark Schultz, Orlando Smith

Guest Speaker: Bill Von Bank, Destination Medical Center (DMC)

A quorum was present, and Guy Finne called the meeting to order. Introductions were made. **Aaron Benike moved for consent of the March agenda; Jim Wendorff seconded, and the motion passed. Dee Sabol moved for consent of the January meeting minutes; Jim Wendorff seconded, and the motion passed.**

Destination Medical Center (DMC) Update – Bill Von Bank, Director of Marketing and Communications, DMC

- Bill gave a presentation entitled, *Becoming a Global Destination: For Health & Healing*. He discussed that DMC is the largest economic development in Minnesota history. He shared the DMC timeline, mission statement, goals, and vision. Financing for the project was discussed. DMC has eight areas of focus, or core experiences, that address demands which will contribute to Rochester becoming the “America’s City for Health.” They are: Livable City, Retail, Dining; Hotel and Hospitality; Entertainment, Arts, and Civic Culture; Commercial Research and Technology; Health and Wellness; Learning and Environment; Sports Recreation and Nature; and Transportation. Bill advised that the DMC 20-Year Growth Estimate for Jobs is 30,000 new jobs in healthcare and service sectors. A goal of DMC is to create 1,500 jobs a year. In response to Jim Wendorff’s question, Bill stated that he estimates that 15,000 to 20,000 jobs will be at Mayo Clinic. He shared DMC’s priorities and information about DMC Districts and Project Names. Bill discussed DMC’s workforce collaboration with local businesses and agencies.
 - Bill opened the floor to comments and questions. Randy Johnson gave Bill an overview of Workforce Development, Inc. (WDI) and stressed that WDI and the Workforce Development Board (WDB) should be front and center in DMC’s developing stage. WDI anticipates a tremendous need for construction sector jobs. He commented that in this economy, not all of those who fill DMC jobs will have four-year college degrees. Randy stated that there will be more people with two-year degrees or less, in addition to entrepreneurs. He indicated that WDI works with the people who need those jobs that are created. He stressed that DMC needs to partner with WDI in developing the workforce so people are ready to fill those jobs.
 - Rob Van Craenenbroeck expressed concern about how DMC will affect the workforce in communities outside of Rochester. Randy commented that we do not want to take employees from small communities to fill jobs created by the DMC project. Rather, he suggested that DMC build a system now to attract talent from outside of the area.
 - Bill stated that DMC puts a lot of effort into reaching out to organizations to be investors in the DMC project and attracting workers outside of a 75-mile radius of Rochester.

Program Reports

Management Committee – Cheryl Gustason

- **Fiscal Report: (Attachment A)** Cheryl stated that we are two-thirds of the way through the Fiscal year. There has been some activity since the last reporting period. Randy Johnson stated that most of the activity coming into our revenue was new carryover dollars from previous funding. Specifically, he noted that we received a SE Asian Equity Grant in the amount of \$80,000; the total grant is for \$200,000. The Quad/Graphics grant is a Dislocated Worker (DW) project going on in Waseca. We received a subcontract with Minnesota Valley Action Council for Quad/Graphics. He noted that the Higher Education Career Advisor Project (HECAP) Grant is a higher education project working with youth in high schools. Randy indicated that overall, funding is tight. We submitted for \$3.4 million in grants; which included six grants targeting under-represented people. WDI is hoping to hear from the Department of Employment and Economic Development (DEED) by April 1st and to be awarded at least half of the money that was requested. Randy stated that it takes \$7 million to keep all ten WDI offices open. WDI’s base

funding is \$5 million. Randy stated that we may need to consider merging some of WDI's smaller offices or moving them to part-time offices. **Diane Simon moved to approve the Fiscal Report; Kris Pierce seconded, and the motion was approved.**

One Stop Operating Partners – Wanda Jensen

- Wanda reported that at the January meeting, there was discussion about the Senior Community Service Employment Program (SCSEP) contract being awarded to Senior Service America, Inc. (SSAI) out of Maryland. SSAI signed a Memorandum of Understanding (MOU) to be one of the required partners of the One Stop Operating Consortium. SSAI will have local representation soon. Wanda stated that we need approval from the WDB to add SSAI to the MOU as a program authority. **Jim Wendorff moved to add Senior Service America, Inc. (SSAI) to the MOU as one of the required partners of the One Stop Operating Consortium ; Cheryl Gustason seconded, and the motion was approved.** Randy Johnson stated that under the Workforce Innovation and Opportunity Act (WIOA), we are required to have someone on the WDB representing older/senior workers. However, SSAI has only agreed to join the One Stop Operating Consortium for now.
- **Partner Performance Measures:** WDI served over 4,000 people in all of our programs last year. Vocational Rehabilitation Services (VRS) served 1,065 people. This includes everyone who has been determined eligible; however, some are on a waitlist. Job Service is under Wagner Peyser, so there is not enrollment or outcome data. However, Marleen Lundberg provided data on attendance at re-employment workshops and from one-on-one appointments. Wanda reported that there are 13 required partners of the One Stop. The consortium is working on creating a document with impact data from all required partners to report to the WDB this summer. Partner updates were also given during the meeting.
- The committee discussed national family-centered employment pilots, specifically the Maricopa, Arizona model. Employers partner with community action agencies such as Public Health, Family Services, and Head Start. The committee talked about using WIOA strategies and doing a better job of connecting children under the age of five with Head Start.

Sector Reports

Emerging Technology and Economic Development – Randy Johnson

- There was not a quorum. The group discussed Two-Gen Welfare Reform Pilot Projects, specifically the Maricopa, Arizona model, focusing around the family-centered concept. He updated the committee on the Legislative Auditor's report on the Minnesota Workforce Development Fund (WDF). Currently, there is no tracking system and money is being dispensed to dozens of nonprofits; 75-80% of the money is being allotted to Metro area organizations. Randy proposed making a recommendation from our WDB to the Commissioner of DEED to allow local WDBs to make more decisions on how the money is spent. Guy Finne recommended that between now and the next meeting, Randy creates a document of the messaging and plan of action so that WDB members can process the dialog prior to making a motion.

Healthcare – Rob Van Craenenbroeck

- Rob commented that the proposed solutions recommended by the former Nursing Shortage Solutions (NSS) sub-committee were never launched. The group discussed identifying 1) specific populations the initiatives would be geared towards; 2) the right method of connecting with them; 3) educating them on the career pathways and training available; and 4) financial resources. The current challenge is the sector meeting structure of gathering only once every other month. The plan is to schedule a two to three hour reboot meeting. Subgroups of the committee will meet again in April to set short- and long-term timelines and completion goals.

Manufacturing – Kris Pierce

- Quorum was present. Kris reported that there is an Employer's Workforce Strategist Summit coming up on either April 17th or 19th, potentially at Cabela's in Owatonna. There will be an employer panel discussing innovative workforce solutions and break-out groups. Recent Pathways to Prosperity (P2P) competitive grant submissions were discussed. 1) Rice, Scott, and Waseca Counties proposal and 2) Steele County proposal, both focused on developing skill training in manufacturing and healthcare. Sector business leaders talked about hiring needs and layoffs, in addition to incentivizing employees and absenteeism.

Services and Trades – Mike Postma

- There was not a quorum. Jim Althoff and YouthBuild program participants were guests at the meeting. Jim provided an update on the Carpentry Training Program. Sixteen students started the program, and 15 are still in the program. There has been great feedback. Of the 15 students, over 50% of them are female or minority. WDI has posted a Carpentry Training Navigator position. The committee had a good discussion with union representatives who were in attendance at the meeting.

Director's Report – Randy Johnson

Legislative Update

- **Federal:** Randy indicated that Congress has another deadline approaching; there could be another continuing resolution. They have not settled their budget. It looks as though they have made a deal between the parties that would continue us at operating levels similar to what we had two years ago; this is an increase. He stated that Minnesota may not receive an increase, as our unemployment rate is low. However, if that passes, it is good news. It means we will be at/or above where we have been for the next seven months. There has been talk about infrastructure, which could involve us; increasing apprenticeships; awareness of youth programming. We are hopeful at the Federal level.
- **State:** Randy stated that he serves on a State legislative committee that is working on redrafting legislation to move money out of the State WDF and allow local WDBs to make more decisions on how the money is spent. The fund is at an estimated \$58 million a year, and the legislative committee is working to move two-thirds of that money to the local WDBs for their dispensation. We would keep money to continue the work we have been doing, as well as put some of the money out for bid. Randy shared that the goal is to have increased flexibility, access to the money, and local control of the funds. Although local control of the WDF may not occur this year, he will continue to work on it. March 21st is the first deadline for bills.

CareerForce Branding Initiative

- DEED is in the process of changing the brand identity of the Minnesota Workforce System. This will include changing the WorkForce Center name to CareerForce. Randy commented that this will not be just a label change. DEED wants to make it easier for both employers and the workforce, especially those who are underemployed, to engage with us. They are on target to roll out some new branding this fall.
- Randy shared that Cradle to Career, a Rochester network of providers, employers, and community partners relaunched this year. It is under the heading of Collective Impact Strategies. The group involves seven different community action networks shooting at different targets, but related to the same outcome of producing talent. A lot of work is being done involving preschool, through the K-12 system, and onto college. A community action network called Workforce Development was also added, in which Randy will chair. The work is all driven by data and outcomes. Randy is excited about the future of this network.

Information Sharing

Area Managers/WDI Staff

- **Mike Postma** – Mike shared that Bellisio Foods in Austin will be closing. DEED sent out an e-mail informing WDI that there was competition for the project. WDI is hoping to get the contract. The facility closing date has been pushed back once, and the new date is April 26th, 2018. If job fairs get set up, Mike will notify Jill Miller so that information can be sent out.
- **Orlando Smith** – Orlando stated that he is scheduled to meet with Rice and Steele Counties Community Corrections Taskforce committees to talk about how WDI can better partner with those probation officers. Orlando announced that there will be a new, second year AmeriCorps VISTA member at WDI.
- **Dee Slinde** – Dee shared that the Houston County Economic Development Authority (EDA), Carl Perkins/Southeast Consortium, and WDI hosted the Houston County Economic Summit on February 27th. The group is now moving into a committee phase where a taskforce will be put together to examine how to connect with young people in the community, as well as in Southeast Minnesota. Brian Cashman is coordinating a project next Friday for the EDA, Southeast Technical, Carl Perkins/Southeast Consortium, and WDI to meet with 260 high school seniors from four school districts during their career day. Area employers will also be doing some mock interviewing and recruiting of those high school seniors.
- **Jim Root** – Jim suggested that the WDB have an information sharing meeting on a quarterly basis. Each WDB member and/or organization could share information and strategies, in order to learn from one another.

Upcoming Meetings

- The next WDB meetings are scheduled for Thursdays, April 5 and May 3, 2018.

Motion to adjourn the meeting by Jim Root; Cheryl Gustason seconded, and the motion passed.

Respectfully submitted,
Jill Miller
Workforce Development, Inc.

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

From: 1-Jul-17 Thru: 28-Feb-18	Y-T-D Actual	% of Budget	Annual Budget
Grants:			
Adult Employment & Training	877,266	51.3%	1,710,857
Youth Employment & Training	653,225	56.5%	1,155,468
Dislocated Workers	897,617	57.0%	1,574,362
	<u>2,428,108</u>	<u>54.7%</u>	<u>4,440,687</u>
Fees for Service/Other:			
Welfare Reform	1,532,944	57.2%	2,681,000
Custom Training	625	12.5%	5,000
Donations	8,990	179.8%	5,000
	<u>1,542,559</u>	<u>57.3%</u>	<u>2,691,000</u>
Total Recognized Revenues	<u><u>3,970,667</u></u>	<u><u>55.7%</u></u>	<u><u>7,131,687</u></u>
Unrecognized Revenues:			
Unbilled Welfare Reform	22,767	0.0%	0
Unallocated Indirect Costs	89,188	0.0%	0
	<u>111,955</u>	<u>0.0%</u>	<u>0</u>
TOTAL REVENUES	<u><u>4,082,621</u></u>	<u><u>57.2%</u></u>	<u><u>7,131,687</u></u>

Changes Since Last Report:

WIOA Adult - PY15	2,022
WIOA Disl Wkr - PY15	2,550
HECAP	23,625
Quad Graphics - ERAG	2,750
Quad Graphics	40,000
SE Asian Equity - PY17-18	80,000
Total Change	<u><u>150,947</u></u>

ATTACHMENT A

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

From: 1-Jul-17 Thru: 28-Feb-18	Y-T-D Actual	Percent of Budget	Annual Budget
Salaries and wages	1,905,835	59.9%	3,183,554
Payroll taxes & benefits	609,870	59.9%	1,017,953
Subcontracted services	99,365	28.7%	346,318
Staff development/conferences	31,412	83.8%	37,500
Travel	50,436	59.1%	85,300
Board expenses	7,185	47.9%	15,000
Telephone	37,598	70.9%	53,000
Postage	7,649	63.7%	12,000
Utilities	32,382	72.0%	45,000
Marketing	3,279	27.3%	12,000
Dues and subscriptions	14,783	82.1%	18,000
Auditing & legal fees	18,265	87.0%	21,000
Maintenance	44,016	53.0%	83,000
Rent and occupancy	271,705	66.3%	410,000
Insurance	12,165	64.0%	19,000
Supplies and other	64,929	66.2%	98,108
Equipment	6,594	65.9%	10,000
Equipment rental	61,643	44.9%	137,228
Classroom training	536,790	54.1%	992,464
Participant support	162,894	48.3%	337,059
OJT contracts/wage subsidy	11,932	20.1%	59,453
Participant Wages	76,016	61.4%	123,862
Participant Fringe	10,794	57.1%	18,889
Other training expenses	7,521	94.0%	8,000
Workforce Center Partner Billing	-2,436	20.30%	-12,000
	<u>4,082,621</u>	<u>57.25%</u>	<u>7,131,687</u>