

JOINT POWERS BOARD
January 9, 2020, 10:00 a.m.
Workforce Development, Inc.
Rochester, MN

MINUTES

Attendees: Jinny Rietmann (Executive Director), Rick Gnemi, Steve Underdahl, Jeff Baldus, Sonji Davis, David LeGarde, Brian Ashton, Dan Belshan, Mitch Lentz, Rhonda Toquam, Cheryl Key, Theresa Walter, Emily Wessing (note taker)

Dan Belshan called the meeting to order. Introductions were made and a quorum was present. **Rick Gnemi moved for consent of the January agenda; Mitch Lentz seconded, and the motion passed. Steve Underdahl moved for consent of the September meeting minutes; Teresa Walter seconded, and the motion passed.**

Fiscal – Brian Ashton

- **Fiscal Report:** Mr. Ashton gave the fiscal report. There were four additions to the budget since the last reporting period. We received an additional \$1,000 to WIOA youth as part of a federal reallocation to the states. The APEX grant (Minnesota Registered Apprenticeship Expansion Grant) was originally a grant we received last fiscal year. However, we had resources left over that we could carry into this year and purchase some technology that wasn't in the original grant proposal. The third addition is for the Youth Intervention Program (YIP) grant, which is a two-year, calendar year grant under \$85,000. We're utilizing this iteration's funds in this fiscal year. The last addition is the Pathways to Prosperity Public Sector grant. This is a \$113,000 subcontract over two years with Hawthorne ABE to continue public sector work. This brings us just over \$8.1 million for this year. Additionally, we have one Pathways to Prosperity Manufacturing grant we're working through with Hiawatha Valley.
- **Functional Expenses by Line Item:** Salary and fringe should be at 42% as we haven't allocated December salaries yet. All other expenses should be at 50% for the year. We're in the process of issuing all the vouchers out for spring semester students. We're at about \$245,000 of vouchers that have been allocated in the past couple of weeks. The classroom training number should jump to about 70% by the end of March. We are in the middle of our audit. Everything should be wrapped up by the end of this month, with a preliminary report forthcoming at the March meeting. W-2's for employees are completed, and open enrollment for health insurance went well. 1095C's have been completed as well. The ransomware investigation is concluding, with no unauthorized access of personal identifying information. We will be receiving a formal report that will be published as a brief risk assessment report by our attorney. We are looking into a cybersecurity training for employees in the future. Mr. Ashton concluded his report.

Rhonda Toquam moved to approve the Fiscal Report; Rick Gnemi seconded, and the motion was approved.

Seat New Workforce Development Board (WDB) Members – Jinny Rietmann

Ms. Rietmann provided background on Mr. Steele. He has been a partner in our construction and trades training program for several years and is very passionate about our work. He is replacing Russell Hess and filling the labor/trades industry spot on our board. The new member letter from Sheldon Steele (Construction Craft Laborers Local 405) was reviewed.

Sheldon Steele – Construction Craft Laborers Local 405

- **Jeff Baldus moved to approve Sheldon Steele's addition to the board; Rick Gnemi seconded, and the motion was approved.**

Program Reports

Dislocated Worker (DW) – Sonji Davis

- Ms. Davis gave the dislocated worker report. Since we last met, we did get notified that Genova Products in Faribault has not yet established whether their layoff of 51 employees will result in a temporary or permanent closure. We should know this for sure in February. We had an event at the Faribault office a week ago and served 26 of those 51 laid off employees; we had Viracon, Faribault Foods, and Jennie-O Turkey present to accept applications and arrange tours. It looks like there will not be a bid at this time. There is no bid process for Associated Milk Producers. So far, we have had 25 applicants from IBM come through that were not served in the first round of layoffs. They are eligible for TAA benefits and our counselors have enrolled many of them. Tenneco's layoff will happen in October of this year; they are working with rapid response and it appears there will be up to 200 people affected by this; we hope to put in a bid for this. Ms. Davis concluded her report.

Youth – David LeGarde

- Mr. LeGarde gave the youth report. We're in the process of hiring a Youth Career Planner to cover Goodhue and Wabasha counties. We're currently serving approximately 455 youth in our programs in southeast Minnesota. We have five youth that are being awarded WDI youth scholarships for second semester. We were able to begin work on a new

initiative for the Zumbro Education District in Byron. Our Dodge county office collaborated with area trades industry experts to bring experiential learning to students and provide new curriculum to develop a construction trade class at the Byron Alternative Learning Center. The grant funded the purchase of books and materials and students will be able to complete five projects during the class while learning about job site safety, tool recognition, use, and career pathways in construction. They also earn credit towards graduation. Students will also be able to access additional support through WDI programming and will have the potential to complete a work experience through the connections created in the class. Thank you to all who were involved in this effort. We received an extension on the YIP grant through March 31, with about \$4,000 to spend. These funds are utilized in several ways. We're starting another Youthbuild cohort at the Rochester Alternative Learning Center for the second semester. Our Youthbuild funding provides construction, carpentry, and basic skills curriculum for approximately 10 students per semester. We're working on recruiting women for these courses as well. Rachel Davis and I attended the National Youth Symposium in Chicago in early December. There were 700 youth career exploration professionals and 40+ breakout sessions, led by experts all over the country involved in youth programming. We learned a lot of the latest techniques and ideas involving topics such as motivational interviewing, work-based learning, and program leadership. Mr. LeGarde concluded his report.

Dan Belshan made a motion to research a youth transportation program and report back with updates in March.

Welfare Reform (MFIP/DWP/SNAP)/Workforce Innovation and Opportunity Act (WIOA) – Jinny Rietmann

- Ms. Rietmann gave the MFIP/DWP/SNAP and WIOA reports. Overall, we're seeing a \$90,000 increase in our MFIP programming and are working on a few areas to integrate innovative approaches such as employer outreach, work readiness skill building, etc. The county contracting process went well this year; we received a lot of positive feedback. At any given time, we have 60-65% individuals in these programs that are working, and another 18% that are in training. We have seen a significant increase in wage at closure, and in helping individuals gain more self-sufficiency through these programs as well. Regarding WIOA, we are required to submit a local plan that will cover the work we're doing in our ten counties, as well as a regional plan, including the southeast Minnesota ten-county region, as well as Winona. These plans are due on June 30th. Currently, we're waiting on the state for the template and next steps. We will most likely be asking for approval on these local and regional plans at the March or April meeting. Additionally, we received funding to do regional planning with Winona, \$33,000 for this year. We will be assisting Winona in expanding initiative such as the construction, trades, and healthcare career pathways programming in their area. We will also be partnering with them for Best Places to Work. Ms. Rietmann concluded her report.

Director's Report – Jinny Rietmann

Ms. Rietmann shared her director's report.

Washington Update

Over the 2019 summer, congressional leaders and the White House struck a deal to increase legal spending caps for both 2020 and 2021. With funding set for FY21, Congressional leaders and the Administration can work on passing appropriations bills before the September 30 deadline, but lawmakers are aware that hopes of a speedy appropriations process are slim. Senate Appropriations Chairman Richard Shelby (AL) has acknowledged that, although they have topline numbers, it is an election year, so the process is even more unpredictable than usual. Nevertheless, they will go through the normal steps of the process. It seems that Democrats will likely skip passage of a budget resolution this year. A year ago, they were barely able to pass their budget resolution out of committee and they nixed a vote on the House floor over worries that progressives would sink it. House Budget Committee Chairman John Yarmuth (KY) said the agreement on caps on 2021 spending argues against doing a budget resolution.

Budget

On Friday, December 20, President Trump signed the FY2020 domestic spending package (HR 1865 (116)). The measure would boost funding through September 30 for the departments of Labor, Transportation, Education, Health and Human Services, Agriculture and Housing and Urban Development. It would also fund the departments of Interior, State, Veterans Affairs and Energy, as well as water projects, the FDA, congressional operations and military construction work.

Bill Summary

Department of Labor (DOL) – The bill provides a total of \$12.4 billion in discretionary appropriations for DOL – \$291 million above the 2019 enacted level and \$1.4 billion above the President's budget request. Of this amount, the bill includes:

- \$9.3 billion for the Employment Training Administration, \$178 million above the 2019 enacted level and \$1.4 billion above the President's budget request. Within this amount, the bill includes:
- \$2.8 billion for Workforce Innovation and Opportunity Act Grants, \$30 million above the fiscal year 2019 enacted level and President's budget request
- \$92 million for Migrant and Seasonal Farmworkers, an increase of \$3 million above the fiscal year 2019 enacted level. The President's budget request proposed to eliminate this program
- \$98 million for the Reintegration of Ex-Offenders, an increase of \$5 million above the fiscal year 2019 enacted level and \$20 million above the President's budget request.

- \$175 million for Registered Apprenticeships, an increase of \$15 million above the fiscal year 2019 enacted level and the President's budget request.
- \$95 million for YouthBuild, an increase of \$5 million above the fiscal year 2019 enacted level and \$10 million above the President's budget request.
- \$40 million for a new investment in community colleges and eligible four-year partners through Strengthening Community College Training Grants. Funding will help meet local and regional labor market demand for a skilled workforce by providing training to workers in in-demand industries.
- \$1.7 billion for Job Corps, \$25 million above the 2019 enacted level and \$728 million above the President's budget request.
- \$405 million for the Senior Community Service Employment for Older Americans Program, \$5 million above the 2019 enacted level. The President's budget request proposed to eliminate this program.

Since President Trump signed the two-part FY2020 spending deal, which funds the government through the end of September, congressional leaders and the Administration have focused on a plan for fiscal year 2021 (FY21). This month, White House budget leaders plan to finalize President Trump's budget request for funding federal departments in FY21 and submit it by the Monday, February 3 due date. President Trump is still insistent on continued funding for his border wall, so upcoming appropriations battles will not be any easier for federal negotiators.

HBCU Funding

On December 31, Senate Health, Education, Labor, and Pensions (HELP) Committee announced they reached a deal to permanently reauthorize \$255 million in annual funding for Historically Black Colleges and Universities and other minority-serving institutions. The deal, which is an amendment to the FUTURE passed by the House in September, would pay for the funding reauthorization by including it in legislation, known as the Free Application for Federal Student Aid (FAFSA) Act (S 3611 (115)) that would make it easier for the Department of Education and IRS to share information about student aid recipients' tax data. The bill would eliminate up to 22 questions on the FAFSA, and make it easier for borrowers to enroll in, and stay enrolled in income-based repayment programs.

Americans with Disabilities Act

On Monday, January 6, the U.S. Department of Labor's (DOL) Office of Disability Employment Policy (ODEP) announced plans for a yearlong celebration of the Americans with Disabilities Act (ADA). Centered around the theme of "Increasing Access and Opportunity," commemoration activities will include events, speeches and new compliance assistance resources. The ADA's anniversary will serve as a key component of the National Disability Employment Awareness Month (NDEAM) observance in October. Signed into law on July 26, 1990, by President George H.W. Bush, the ADA is a landmark piece of civil rights legislation that works to increase the inclusion of people with disabilities in all aspects of community life, including employment.

Unemployment Rate

On Friday, January 10, the Department of Labor (DOL) Bureau of Labor Statistics (BLS) issued its December jobs report. The U.S. economy added 145,000 jobs last month, which fell short of the 165,000 predicted by economists. The unemployment rate stayed at a 50-year low of 3.5%. The economy added more than 2 million jobs for the ninth consecutive year in 2019.

Minnesota Updates:

Monthly Economic Snapshot data

- Minnesota 5-year Business Survival Rate, 2014-2019 is 54.5%, 4th best in the nation
- Labor Force Participation Rate, November 2019 was 70.3%, 3rd best in the nation
- MN % of Population below the poverty line – All People, 2018 was 9.5%, 6th best in the nation

Minimum wage law:

Minimum wage workers in Minnesota should expect a bigger paycheck come Jan. 1, 2020.

Small companies that earn less than \$500,000 in revenue annually are set to pay a minimum of \$8.15 an hour, an \$0.11 cent increase from the \$8.04 of today. The new amount is also applicable for any employee under age 20, training wages and the first 90 days of employment.

Large employers, such as Walmart and Lowes, that make \$500,000 or more in revenue per year are scheduled to pay \$10 an hour, a \$0.14 cent jump from the current \$9.86 an hour.

Overall, there are 2.2 million jobs paying exactly minimum wage across the state of Minnesota. Minneapolis and St. Paul, which account for 1.9 million of those jobs, adhere to different minimum rates.

The statewide minimum wage rates apply to all hours worked, whether full-or part-time, and must be paid appropriately, no matter the method of payment. For employees who are covered by both state and federal minimum wage laws, their

pay defaults to the state minimum wage, which is higher than federal rates. There are, however, exempt positions, such as volunteers, cab drivers and babysitters and those who serve on government boards, among others.

The highest minimum wage hike across the nation was in DC, at \$15 per hour.

Other Board Updates

Rob Van Craenenbroeck will be stepping down from the board at the end of February 2020. Rob is working on a replacement from Gundersen Health System/Fillmore County.

Guy Finne will be stepping down from the board in March, and we met Jess Anderson, his replacement, at our board meeting. We are excited to have her on board!

We will have a new slate of officers starting July 1, 2020. At this time, we are calling for nominations (self-nominations accepted) for the vacancies outlined below. If you are interested in taking on a leadership role with our Workforce Development Board, please let me know.

July 2020 assignments:

- President Laura Link, Henkel
- Past President Cheryl Gustason, Field Crest
- Vice President – vacant
- 2nd Vice President – vacant
- Treasurer – Jeff Custer
- Secretary - vacant

Around the region / Agency Highlights:

- 1) B2HC graduation – On January 8th, the Bridges to Healthcare program celebrated with their graduation ceremony. The graduation included 24 Certified Nursing Assistant graduates, 13 Advanced Hospital Nursing graduates, 3 HCOP/AOP graduates, 2 LPN graduates, 7 Office Support Specialist graduates, and 2 Phlebotomy Technician graduates
- 2) Best Places to Work in Southeast Minnesota – Application window is open! Please see the attached flyers and help us get the word out about this beneficial and FREE program for our area employers.
- 3) MAWB Legislative Platform – Our statewide association, the Minnesota Association of Workforce Boards, has put together their 2020 Legislative Platform. If you are talking with legislators, please share this and talk about some of the priorities of the workforce system. As staff and board members, I look to you and our customers as advocates to help us secure the necessary funding to do our important work.
- 4) Last Friday, our Employer Outreach Specialist group met and are working on several initiatives to increase our outreach to employers around the region. We are working to develop a consistent message and menu of services to share with employers to assist them in understanding our essential role in building their workforce.
- 5) Another work group was pulled together last Friday to start working on developing an Essential Skills Curriculum that will be utilized by WDI staff and shared with partnering organizations and potentially, used with employers for training. We have a wealth of knowledge, experience, and expertise and WDI and we plan to put this into a product that we can brand and market.
- 6) Our personnel committee meets this week to start discussions for future benefits packages. If you have any questions or suggestions, please reach out to your manager or the Benefits committee. There will be a survey administered to ask you for your feedback over the upcoming months as well.
- 7) Regional and Local WIOA plans – we continue to wait for DEED to rollout their template for planning purposes. Once we have this, we will pull together staff to give feedback and assist in developing our new WIOA plans.

During my maternity leave in May, Randy Johnson has agreed to stay on as contracted, and Wanda Jensen will be assisting as well. On Monday, we will have a Management meeting in which we will be resuming budget discussions. Ms. Rietmann concluded her report.

The meeting was adjourned.

Respectfully submitted,
Emily Wessing
Workforce Development, Inc.