

SE MN JOINT POWERS BOARD

March 12, 2020, 10:00 a.m.

Workforce Development, Inc.
Rochester, Minnesota

MINUTES

Attendees: Rhonda Toquam, Jinny Rietmann, Jeff Baldus, Rick Gnemi, Mitch Lentz, Steve Underdahl, Brian Ashton, Wanda Jensen, David LeGarde, Sonji Davis, Susan Boehm, Linda Flanders, Ken Brown, Cheryl Key, Teresa Walter, Emily Wessing (note taker)

Cheryl Key called the meeting to order. A quorum was present. **Cheryl Key motioned for consent of the March agenda, and the motion passed. Cheryl Key motioned for consent of the January meeting minutes, and the motion passed.**

Fiscal Report – Brian Ashton

Fiscal Report: Mr. Ashton gave the fiscal report. Since we met last, we added approximately \$200,000 to our budget for this year. Most of this is allocated between our welfare reform and WESA programs. Welfare reform is just a function of the new county contracts that became effective on January 1st of this year, as well as the spending from the prior calendar year contracts. Overall, it's a net \$74,000 increase to the organization. The WESA grant is a \$100,000 grant for women and minorities in the trades, and the current grant goes from now until June 30th. I don't think we're going to spend that much between now and then, so we're going to request an extension for three or six months and will let you know which we decide. Right now, we're leaning towards the six-month extension just based on the amount of work that needs to get done. Summers are a really difficult time for us to get a lot of that done, especially with the trades that are so busy doing their work. We received a \$12,000 LEAP grant as well. There's a decline in individuals going to school right now because jobs are so prevalent, but we're meeting needs overall. One area we're having a very difficult time with, however, is our work experience program. Individuals don't need the work experience as much as in the past as businesses are willing to just hire them on permanently. Under WIOA, it's a requirement that you spend at least 20% of your budget on work experience, so it's been a challenge thus far. We're looking at setting up a summer youth program as well. Regional coordination monies have been reallocated from Winona and is being reapportioned across the state. We're expecting another \$20,000 in next month's report as we get those monies in.

Functional Expenses by Line Item: Salary and fringe should be at 58.3%, and all individual line items should be at about 67%. Classroom training is lagging as we're having a difficult time placing students. We have \$30,000 in spring semester tuition vouchers out there that haven't been reconciled yet, so that number will increase slightly. We have our pathways, cement masons, and manufacturing programs happening currently as well. This will help fill out that training number, which will hopefully increase to 70% by end of year. There are funds available, however, which is a positive. Our audit is still not complete, which has been a very frustrating process. There have been no significant issues aside from scope of project and understanding of our organization by the auditing agency. This is not an issue of our organization getting information to them in a timely manner, so we are still awaiting that report, hopefully in the coming months. Mr. Ashton concluded his report.

Cheryl Key motioned to approve the Fiscal Report; Teresa Walter moved, Rick Gnemi seconded, and the motion was approved.

Seat New Workforce Development Board (WDB) & Joint Powers Board (JPB) Members

1. **Jess Anderson (Mayo Clinic) (Action)**
2. **Dalila Amaya (Hormel Foods) (Action)**
3. **Linda Flanders (Goodhue County) (Action)**

Cheryl Key motioned for approval of new Workforce Development Board members Jess Anderson (Mayo Clinic) and Dalila Amaya (Hormel Foods) and new Joint Powers Board member Linda Flanders (Goodhue County); Rick Gnemi moved to approve all on a slate; Jeff Baldus seconded, and the motion passed.

Program Reports

Dislocated Worker (DW) – Sonji Davis

- Ms. Davis gave the dislocated worker report. We just found out that Hy-Vee is undergoing some organizational restructuring. They have 200 supermarkets locally throughout the Midwest, including Iowa, Illinois, Kansas, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin. They employ more than 84,000 employees and have annual sales of \$10 million. We have very little information yet but found out through one of our employer outreach specialists who is also a dislocated worker and was contacted via social media by a laid off Hy-Vee dietitian. It looks like a lot of restructuring is happening with this role at this time, as some are being moved into upper management positions or resigning. New directors are retiring and moving to new roles as well. I will reach out to rapid response today to offer up our services. On February 11, I received an email from rapid response. They had met with the HR manager at Kemps in Rochester. They're working on days and times to schedule informational meetings that will work well for

production needs and accommodating employee availability. They'll also keep us posted when those meetings are scheduled so that we can be present. I have submitted a letter of intent should the competitive bid process start and are hoping to hear something soon. On February 15, the Northfield Hospital and Clinics announced it is laying off 12 employees and reducing some employee hours and deciding not to replace some positions. This is in response to a \$1 billion loss in the healthcare industry. On February 26, we connected with the director of HR. All 12 have already been laid off, and 7 had not been given outplacement services, so we reached out to them. Ms. Davis shared a success story and concluded her report.

Youth – David LeGarde

- Mr. LeGarde gave the youth report. Cyndi Reese has been hired as Youth Career Planner in Goodhue and Wabasha Counties, began in mid-February. Her strengths are community engagement and employer outreach. She has a lot of business connections in the Red Wing area, and we think she will be helpful with work experience placements. Our YouthBuild is serving 10 students this semester at the Rochester ALC. The class allows youth to learn carpentry and construction trades and receive a stipend and hourly wage. We have 3 women and 7 men this cohort and are excited about that. We're pretty sure we're going to do a summer YouthBuild program as well. We've tapped into healthcare, libraries, counties, automobile/motorcycle repair and maintenance industries for work experiences. We're collaborating with the career navigators at SSC and the FutureForward portal to provide services in our area. We're doing a lot of outreach at area schools and provide a lot of employment related services. Career readiness is prevalent this time of year along with career fairs. We have six individuals utilizing our scholarship funds, soon to become seven. There was a brief discussion regarding qualifications for scholarships. We got our final report in for our YIP grant review in November. We received high marks for all we do with high risk individuals. We received the YIP grant again for next year as well. Statistically, we're meeting all our goals and are slightly down on the credential attainment rate. The last time we met, there was a motion to explore the issue of transportation and youth. It's important to note that this issue presents differently whether you're in an urban or rural area. Currently, it seems to be more of a rural problem. However, in an urban area, there have issues regarding public transportation schedules and coordinating them with shifts, interviews, etc. In our area, climate can be an issue as biking and walking are often not options. This is one of the biggest barriers that youth face as far as employment and postsecondary education options. There are very few resources, and individuals often are not able to afford a personal car or driver's license. On the urban scale, Uber or Lyft are options but are often too expensive and do not serve these rural areas either. This is both a local and worldwide issue. Solutions are still difficult to come by. Our Emerging Workforce subcommittee has discussed options such as car dealerships donating cars for youth, college auto repair programs fixing up and donating cars, local businesses and companies making donations, etc. One thing that may alleviate the issue is to emphasize the importance of getting a driver's license first. We need to place more emphasis on the importance that transportation will have for youth in the future. I think this education is the first step. There was a brief discussion regarding availability of grant funds for supporting these programs. Mr. LeGarde concluded his report.

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

- Wanda Jensen provided a few resources for review pertaining to the MFIP/DWP/SNAP and WIOA reports in replacement of a traditional report. She provided a brief introduction and overview of the programs, as well as a synopsis of challenges and support services. We have reached an average wage for the first time in Olmsted County of \$15, which is a great achievement. We need to keep preparing individuals to move into higher wage positions. We're working to get more individuals into our pathways programs so that public assistance is no longer an issue. We created a plan with the Department of Human Services to get set up with a direct contractor for SNAP 50/50. There was a brief discussion regarding individuals that term out of these assistance programs but did not receive assistance. We're looking at providing a year of retention services in Houston County after an individual terms out of the programming. We will see how it goes and consider transitioning that pilot to other counties if successful. Resources were provided regarding national level policies that the skills coalition is driving. Ms. Jensen concluded her report.

Director's Report – Jinny Rietmann

Ms. Rietmann shared her director's report. She introduced the executive slate turnover, to happen on June 30. Vice president, second vice president and secretary roles are open. We're hoping to bring a full slate for approval to the May meeting.

Washington Update

Budget and Appropriations

Appropriations season began last month as agency officials and Cabinet secretaries headed to Capitol Hill to testify on their funding needs for fiscal year 2021. Funding the government should be simpler this time around since spending caps have already been signed into law, capping military spending at \$740.5 billion and domestic discretionary spending at \$634.5 billion, but the President's recent budget request undercuts the non-defense spending cap by billions of dollars, leaving lawmakers to try and reconcile the two.

In February, Senate Majority Leader Mitch McConnell said that the Senate will get to work crafting FY2021 funding bills that abide by the set spending limits, and House leaders have set a midsummer goal for passing their own spending measures. Election-year politics throws a wrench into the works, however, and increases the likelihood

that a stopgap measure to keep the federal government open past the October 1 deadline will be necessary, with the electoral decisions to follow on November 3.

National Apprenticeship Act

On Wednesday, March 4, the House Education and Labor Subcommittee on Higher Education and Workforce Investment will hold a hearing to discuss a bipartisan proposal to reauthorize the National Apprenticeship Act. The hearing, Reauthorizing the National Apprenticeship Act: Strengthening and Growing Apprenticeships for the 21st Century, will take a look at bipartisan reforms that can help individuals develop the skills they need to fill in-demand jobs.

Student Apprenticeship Act

On Tuesday, February 25, Representatives Ro Khanna (CA) and Brian Fitzpatrick (PA) introduced the bipartisan Student Apprenticeship Act, which would close the gap between higher education and labor by modernizing workforce training and catalyzing the growth of registered apprenticeships nationwide. This is companion legislation to Senator Michael Bennet's Student Apprenticeship Act.

The Act would promote collaboration between higher education institutions, employers and labor by creating a grant program that aligns institutions of higher education, employers, and workforce intermediaries to create apprenticeship opportunities for students. Participants would work to earn college credit and an industry credential while their employers pay them. Employers would pay at least 25 percent of the student's college tuition and fees, and student-apprentices would earn credits for their work that count toward their degree and industry credential. It would also create competitive grants to drive apprenticeships through supporting the expansion of registered apprenticeships by providing institutions of higher education, employers, and workforce intermediaries with funds to offset the costs associated with developing and implementing student-apprenticeships.

Notice of Interpretation

On Friday, February 28, the Department of Education Office of Special Education and Rehabilitative Services made available a notice of interpretation (NOI) on pre-employment transition services flexibility regarding the use of federal vocational rehabilitation funds. It also announces a change in policy with respect to additional VR services needed by eligible students with disabilities that may be paid for with Federal VR grant funds reserved for the provision of pre-employment transition services. This is funding that is currently contracted to WDI, so we are awaiting details from DEED on how this will affect the services we are able to provide.

Reading Material

Persons with a Disability: Labor Force Characteristics Summary

On Wednesday, February 26, the Department of Labor (DOL) Bureau of Labor Statistics (BLS) released the Persons with Disabilities: Labor Force Characteristics Summary which showed the annual unemployment rate for Americans with disabilities dropped to a record low of 7.3% in 2019.

New from Brookings

Improving Workforce Success Among America's College Students

As the presidential campaign of 2020 kicks into high gear, the stagnation of worker earnings in recent decades has drawn much attention and comment from the candidates. Yet, outside of advocating for a few trendy proposals like free college, the candidates have said little to date on how to improve education and skills, especially those that are highly rewarded in the US labor market, among the roughly two-thirds of Americans who do not attain BAs. The candidates' relative silence is especially noteworthy in a year when both the Higher Education Act (HEA) and the Workforce Innovation and Opportunity Act (WIOA) are up for reauthorization, and at a time when fairly tight labor markets make it harder for employers to find and retain the skilled workers they need.

New from the Center for Law and Social Policy

Underemployment Just Isn't Working for U.S. Part-Time Workers

More than 10 years after the Great Recession, news stories abound about a healthy, robust economy with lower unemployment and underemployment. The U.S. Bureau of Labor Statistics (BLS) uses a single indicator of underemployment, which remained stubbornly high many years into the recovery, peaking at over 6 percent in 2009, until gradually dropping to under 4 percent. However, this single statistic masks the breadth, severity, and persistence of underemployment. We create a broader, more inclusive measure of underemployment, which includes any part-time worker who prefers more work hours, not just those who want a full-time job, that we are calling "part time and underemployed." Using this more inclusive measure, we find the underemployment rate to be higher—8 to 11 percent, which is double the rate of the narrower BLS measure.

Agency Updates

WDI is working on an Essential Skills Curriculum that will pull together expertise and knowledge from a number of resources that we use on a regular basis to teach essential (soft) skills training to job seekers and career seekers. Our Career Planners serve as the experts in these areas.

Best Places to Work applications are being reviewed and we look forward to starting site visits as the next step. Board members are welcome and encouraged to participate. Jakki will give an update on this at the full board meeting.

On February 19th, Workforce Development, Inc. partnered with the Rochester Area Chamber of Commerce for the first Community Matters event of 2020. In collaboration with local employer panelists and former Best Places to Work recipients Geotek, McNeilus Truck and Manufacturing, Inc., Taco JED, and Pace International, we examined creative solutions to hire, retain, and develop employees and gleaned insights from business experts utilizing these best practices in their respective industries. As businesses of excellence in our region, we highlighted these employers to serve as an example for the community and share their strategies for successfully addressing the workforce shortage, attracting and retaining a talented and committed workforce, and how they are implementing traditional and non-traditional job retention and recruitment strategies and targeting potential employees in new ways. Finally, we explored the current state of the workforce, its economic impact and activity in the region, and how to harness innovative solutions to support its future growth.

Career Pathways programs in construction and trades are scheduled for March (Cement Mason), and May (Laborer's). We are also looking into an Operating Engineers class for June. We've added a component of On-the-Job (OJT) training to provide actual work experience for these programs. The Manufacturing Career Pathways program for individuals with a criminal background is also running classes in Goodhue, Wabasha, Winona, and Houston counties. We are now broadening the scope of this program and will likely be expanding into other counties such as Olmsted County.

Our Bridges to Healthcare program in Olmsted County is running strong, and we still have initiatives in place to expand to other areas of the region.

Jinny Rietmann, Cheryl Gustason, Jeff Custer, Laura Link, and David LeGarde will be representing Southeast Minnesota at the National Association of Workforce Boards Forum in March. We look forward to bringing best practices back to our WDB and learning about workforce development initiatives and policy from around the country. David LeGarde and Jinny Rietmann have been asked to present at the Forum and represent the Southeast Minnesota Workforce Development Board and Workforce Development, Inc. in a session titled "Taking a Strategic Approach to Building a Comprehensive Youth Service Delivery System." The Department of Labor has been impressed with our youth programming collaboration efforts and career pathways effectiveness and have asked us to present on our various partnerships. We are honored to represent SEMN!

Ms. Rietmann concluded the report.

Motion to adjourn the meeting was made by Jeff Baldus; Rhonda Toquam seconded, and the motion passed.

Respectfully submitted,
Emily Wessing
Workforce Development, Inc.