

SE MN Workforce Development Board

January 9, 2020, 2:30-4:00 p.m.

Workforce Development, Inc.
Rochester, Minnesota

Minutes

Members Present: Vicki McKay, Andy Toft, Geoff Smith, Joy Watson, Dee Sabol, Chad Kleist, Phil Sayles, Marvin Urias, Kristy Ruble, Jeffery Boyd, Rob Van Craenenbroeck, Jess Anderson, Guy Finne, Michelle Pyfferoen, Jeff Custer, Brian Cashman, Rick Gnemi, Laura Link, Burke Murphy, Kenneth Johnson, Anita Otterness, Nate Nordstrom

Others Present: Jinny Rietmann (Executive Director), Emily Wessing (note taker), Sonji Davis, Becky Zoubek, Susan Boehm, Jakki Trihey, Desirae Dyke, David LeGarde, Mike Postma, Bryce Bjork

A quorum was present, and Laura Link called the meeting to order. Introductions were made. **Laura Link motioned for consent of the January agenda; Rick Gnemi moved, Rob Van Craenenbroeck seconded, and the motion passed. Laura Link motioned for consent of the December minutes; Dee Sabol moved, Brian Cashman seconded, and the motion passed.**

Program Reports

Management Committee – Jeff Custer

- Jeff Custer shared the *Management* report. The only action item we had today was the review and approval of the fiscal report through December. We are on track for both yearly revenue and expenses, with only a few minor changes to note. Mr. Custer concluded his report.

One Stop Operating Partners – Brian Cashman

- Brian Cashman shared the *One Stop* report. There was a small group today with no action items to vote on. Mr. Cashman concluded his report.

Taskforce and Work Group Reports

- David LeGarde shared the *Emerging Workforce* report. We discussed communication between high schools, colleges and employers – what works and what doesn't. We discussed career exploration at the middle school level and successes that have been seen in Fillmore and Houston counties. We discussed ways to reach out-of-school youth (18-24) that are in limbo. We talked about creating an asset map of the connections between schools, colleges and employers and methods of communication that are working. We discussed utilizing success stories for outreach and presentations via face-to-face meetings, videos, etc. Mr. LeGarde concluded his report.
- Laura Link shared the *Career Pathways* report. We had the individuals that support Bridges to Healthcare, Bridges to Public Sector, the construction program, and the Previously Incarcerated Individuals Taskforce provide overviews of their respective programs. We want to get more employers involved in our meetings; this is a concern of ours as we move forward as a group. More discussion on this to come. Ms. Link concluded her report.
- Chad Kleist shared the *Employer Engagement* report. Geoff Smith gave a presentation about succession planning. We did a sandbox activity and started from a blank slate in discussing how we'd like to move forward as a group, and the topics that are a priority – ex. literacy, flexible work hours, analytics, and childcare. Members chose a topic to align with and presented potential, specific action items for moving these areas forward. We are hoping to use this system as a baseline for implementation and segmentation going forward.
- There was a brief discussion regarding the current subcommittee structure. Guy Finne shared that a challenge is the lack of employers; right now, we're sharing information with an audience that's already familiar with the content. Laura Link shared that without employers, it's difficult to move forward. How do we recruit more employers or board members to make the meetings feel successful?
- Guy Finne shared the *MaxAbility* report. He began by sharing that he will be departing the board in March due to shifts in Mayo Clinic's vision for his role; he introduced Jess Anderson, who will be his replacement. Dawn Kirchner will continue to serve as chair of MaxAbility in 2020. The entire year of meetings and programs are calendarized. The strategy for this year is focused on employer engagement and increasing our employer base. We're looking for employer hosts for our quarterly networking meetings. There's an assistive technology challenge taking place on April 4th at the Rochester Civic Theatre. The reverse job fair will be held on April 15th at Wood Lake Conference Center. International Day for People with Disabilities will be held December 3rd, 2020.
- Guy Finne shared the *Salute Southern MN Veterans Network* report. On February 5th, the group will be meeting to reevaluate the future direction of the group, and what the mission should be moving forward.
- Susan Boehm shared the *Previously Incarcerated Individuals* report. We met in November and reported out to the board in December. Our next meeting will be the last Tuesday of the month, January 28th, here in the Heintz Center at 3:00 p.m.

Mental Health in the Workplace – Anita Otterness

Board Portal Presentation & Updates – Nate Nordstrom

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.

Ms. Rietmann concluded her report.

Other Area Activity/Upcoming Meetings

- No February meeting
- Community Matters Luncheon: February 19th – 11:30 a.m. - 12:45 p.m.
- Next meeting: March 5th – 2:30 p.m.
- Best Places to Work: April 23rd

Motion to adjourn meeting was made by Laura Link; Dee Sabol moved; the motion was seconded by Vicki McKay. The meeting was adjourned.

Respectfully submitted,
Emily Wessing
Workforce Development, Inc.