

SE MN Workforce Development Board

March 5, 2020, 2:30-4:00 p.m.

Workforce Development, Inc.
Rochester, Minnesota

Minutes

Members Present: Jeff Custer, Cheryl Gustason, Dee Sabol, Geoff Smith, John Pugleasa, Guy Finne, Jess Anderson, Burke Murphy, Joy Watson, Nadine Holthaus, Andy Toft, Jeffery Boyd, Marvin Urias, Diane Simon, Dalila Amaya, Marleen Lundberg, Jim Kingsley, Rick Gnemi, Erin Main, Mary Eichten, Brian Knutson, Chad Kleist, Phil Sayles, Linda Flanders

Others Present: Emily Wessing (note taker), Wanda Jensen, Mike Postma, Jakki Trihey, Beth Christensen, Becky Zoubek, Susan Boehm, David LeGarde

A quorum was present, and Cheryl Gustason called the meeting to order. Introductions were made. **Cheryl Gustason motioned for consent of the March agenda; Diane Simon moved, Rick Gnemi seconded, and the motion passed. Cheryl Gustason motioned for consent of the January minutes; Rick Gnemi moved, Guy Finne seconded, and the motion passed.**

Cheryl Gustason motioned for approval of new Workforce Development Board members Jess Anderson (Mayo Clinic) and Dalila Amaya (Hormel Foods); Guy Finne moved; Jim Kingsley seconded, and the motion passed.

Cheryl Gustason initiated a call for nominations for the vacant 2020 Executive board positions – Vice President, 2nd Vice President, and Secretary. To date, Dee Sabol (Diversity Council) has expressed interest in the Secretary position, and Jim Kingsley (Wenger Corporation) has expressed interest in one of the Vice President positions. Nominations for the 2020 Executive slate remain open, with terms to commence in July.

Program Reports

Management Committee – Jeff Custer

- Jeff Custer shared the *Management* report. Action items today included seating of the new board members, review of the fiscal report, and approval of the revised assessment policy. Through the end of February, everything looks to be financially on track. We've had a \$193,000 increase of revenue since our last report. The welfare reform increase came in at just under \$74,000 due to our newly negotiated county contracts. The WESA and LEAP grants are for women and minorities in the trades, and we will likely be asking for an extension for those programs as we need to spend those monies yet through the end of the year. We absorbed and were able to spend leftover MWCA regional planning monies from Winona throughout our region. Finally, the WIOA adult funding is being reevaluated from previous fiscal years and reallocated throughout the region accordingly. We're at approximately 58% for yearly expenses to date. We're currently lagging in classroom training due to the current job market and the tendency to directly hire as opposed to take on training opportunities. We're anticipating utilizing about 70% of those monies, and we do have the ability to carry those funds ahead into the next fiscal year. We expected that our yearly audit would be finished and ready to present today, however the process is delayed as we are working with a new company this year. That update is forthcoming in April's meeting. There are two items that the management committee is proposing to change on WDI's current assessment policy. We are proposing to remove the academic assessment prior to program enrollment due to its length and involvement. We would like to only require that assessment prior to training enrollment. In addition, we would like to add an eligibility assessment test to the current process. Mr. Custer concluded his report.

Jeff Custer motioned for approval of the fiscal report; Rick Gnemi moved; Erin Main seconded, and the motion passed.

Jeff Custer motioned for approval of the revised assessment policy; Dee Sabol moved; Diane Simon seconded, and the motion passed.

One Stop Operating Partners – Joy Watson

- Joy Watson shared the *One Stop* report. Our region is having higher outcomes in the vocational rehab area due to the current job market and available opportunities. There are some key employers in our region that are doing work with vocational rehabilitation as well. The average wages have increased significantly in the past couple of years, with several over \$15/hourly now. These are measurable and positive gains for WDI. Ms. Watson concluded her report.

Taskforce and Work Group Reports

- David LeGarde shared the *Emerging Workforce* report. We had a small group with some great discussion today. We decided to touch on all five of the focus areas of our committee today. The first area of conversation was out of school youth and the best practices to reach them. We also discussed work experiences, paid internships and apprenticeships. We're looking for ideas to improve our work experiences here at WDI and how to develop our relationships with employers. We discussed transportation for rural youth, which is a huge problem right now without an easy fix, that has expanded worldwide. We decided we're going to develop an asset map for local available jobs and careers. We will reach out to local employers, schools and youth to see what career opportunities are available, what the steps are to attain employment, and when employers are hiring. We also discussed WDI scholarships. Mr. LeGarde concluded his report.
- Nadine Holthaus shared the *Career Pathways* report. We had Mandi Morrissey present from Tru Vue. She shared her experience with an innovative way to fill shifts and attract flexible workers by surveying the community via the Sling app. There was a lengthy discussion regarding this process and the idea was presented to have this app demonstrated at a future meeting. Ms. Holthaus concluded her report.
- Chad Kleist shared the *Employer Engagement* report. Mr. Kleist presented on recruitment and retention and some of the challenges and successes Oshkosh Corporation has had in recent years. He discussed career progression, curriculum development and training, and how to provide job preparedness and skills mentoring to existing employees. He's working on a variety of other initiatives including surveying employees, providing recognition badges, setting up transportation for employees and discussing mitigation plans for the coronavirus. Mr. Kleist concluded his report.
- Guy Finne and Dee Sabol shared the *MaxAbility Employment* report. On February 26, MaxAbility hosted another networking meeting. This year's theme is "take it to the streets", and the topic for this session was inclusive job postings. The group discussed different considerations and ways to approach recruitment and onboarding while making space for those that are differently abled. The Assistive Tech Challenge is coming up on April 4th at the Mayo Civic Center and on April 15th, MaxAbility is holding a Reverse Job Fair. Mr. Finne and Ms. Sabol concluded their report.
- Guy Finne shared the *Salute Southern MN Veterans Network* report. The group has been exploring the future of the committee, and there have been recommendations that it shuts down. Some are passionate and would like to try to keep it going, but it's not as active as it once was. Mr. Finne concluded his report.
- Mary Eichten shared the *Previously Incarcerated Individuals* report. We continue to meet and cherish our collaboration and resource sharing. We recently held a job fair in the adult detention center that went well and received a lot of positive feedback. We are currently planning the next resource fair for May. The first was focused on jobs and employment, and this one will be geared towards essential tools as they exit incarceration (applying for assistance, etc.). Ms. Eichten concluded her report.
- Jakki Trihey shared a Best Places to Work update. The survey has now closed. We have around 40 applicants, which is up from last year. The next step in the process are site visits. We anticipate these happening by the end of the month or early April. Please reach out to Jakki if you're interested in coordinating one at your business location. The banquet is scheduled for April 23rd at the Rochester International Event Center.

Program Spotlight

Burke Murphy, Red Wing Ignite – Entrepreneurship Opportunities

Employer Spotlight

Marvin Urias, K&G Manufacturing – Apprenticeship Programming & Pipeline Funding

Director's Report – Cheryl Gustason

Emily Wessing distributed awards of service to departing board members Guy Finne (Mayo Clinic), Kristy Ruble (Hormel Foods) and Rob Van Craenenbroeck (Gundersen Health).

Ms. Gustason shared Executive Director Jinny Rietmann's director's report.

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 for 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. Gustason concluded the report.

Other Area Activity/Upcoming Meetings

- Next meeting: April 2nd – 2:30 p.m.
- Rochester Apprenticeship Summit: April 9th
- Best Places to Work: April 23rd

Motion to adjourn meeting was made by Cheryl Gustason; Dee Sabol moved; the motion was seconded by Marvin Urias. The meeting was adjourned.

Respectfully submitted,
Emily Wessing
Workforce Development, Inc.