

Executive Committee Meeting
Monday, May 24, 2004
10:00am – 11:30am
Commissioner's Conference Room, DEED

Members Attending

Don Gerdesmeier
Roger Hale
Chuck Johnson
Matt Kramer
Jim McCormick
John Molinaro
Rollie Morud
Sandra Peterson

Staff and Guests

Erik Aamoth
Deena Allen
Viola Curtis
Michael Murphy
Dan Smith
Luke Weisberg
Koryn Zewers

Roger Hale opened the meeting, welcoming all.

1. 3/9/04 and 5/1/04 Meeting Summaries were reviewed and accepted.

2. WIA Incentive Grant proposal

Chancellor McCormick opened the discussion on the WIA Incentive Grant proposal and introduced Deena Allen, Vice-Chancellor for Academic Affairs. Chancellor McCormick said the Department of Employment and Economic Development, Department of Education, and Minnesota State Colleges and Universities have developed a joint proposal for using the \$750,000 grant. The proposal outlines an opportunity to better serve Minnesotans with limited English proficiency while delivering skills training, which impacts each of the agencies. Chancellor McCormick noted that the WIA Incentive Grant discussion has created opportunity for Minnesota State Colleges and Universities and the Department of Education staff to begin working through specific issues identified previously by local staff. Some of these issues – all about how the agencies can work more closely together in the delivery adult education services – include: coordinating service delivery, assessing individuals, identifying the competency level of students, and using common terminology for services between the agencies. Chancellor McCormick asked Deena to talk more about the WIA Incentive grant proposal, noting that it requires GWDC Executive Committee review and approval to be advanced and submitted by the June 3rd deadline to the US Department of Labor.

Deena Allen identified a specific point of discussion for the Executive Committee: the identification of ten percent of the \$750,000 to be available for initial planning among regions, training and making front-line staff aware of the Incentive Grant opportunity, and administrative expenses. The planning team is concerned that more than \$75,000 might be needed for these expenses and would like the Executive Committee to consider raising this portion to 15 percent. The agencies involved in the effort have agreed to use additional funds to accomplish the proposed goals, but additional funding may be necessary from the WIA Incentive Grant. Roger Hale questioned if there have been initiatives like this in the past, and Deena responded that at the local level there has been some effort to coordinate service delivery. However, coordination at the state level has been inconsistent. Currently, the agencies do not have a way to connect their assessment instruments, and this initiative could help move that work forward.

Dan Smith added that one of the current issues is that individuals with limited English skills are currently using their financial aid to gain these skills rather than using the Adult Basic Education Program. Roger questioned if there are a lot of other ESL programs administered around the state through other agencies or community based organizations that have different levels of rating competencies, doing testing, etc. Dan answered that he is not aware of any. There are currently 326 sites where basic English language could be offered. Deena Allen added that many of the Adult Basic Education students want to move into the Minnesota State Colleges and Universities System, so the partnership will benefit both agencies.

Chancellor McCormick asked for clarification on how businesses and/or individuals currently access services and how the WIA Incentive Grant will change that. Luke responded that, currently, businesses can approach a college, nonprofit organization, WorkForce Center or local school for help with English as a Second Language (ESL) or Adult Basic Education (ABE) services for their employees. In some cases, there will be funding to support a workplace-based service, but funding is relatively thin compared to need. (As an example, Luke noted that if a business wrote an MJSP proposal for this, the MJSP Board typically wouldn't spend those funds for this purpose because there are other sources available) So, oftentimes, a business interested in a workplace-based solution may end up simply referring employees to local organizations/institutions who then seek service as individuals, not as part of a workplace-based initiative. The WIA Incentive grant funds will be made available to all those current points of service so that, if a business approaches a college, nonprofit organization, local school or WorkForce Center, they will be able to provide workplace-based services as desired.

Roger Hale asked if employers currently know how to access these services, and staff responded that many businesses do not currently have this knowledge. Roger added that the GWDC should try to publicize this award, so businesses know these services are available.

Matt Kramer noted that the Minnesota Job Skills Partnership Board (MJSPB) is currently suggested as the fiscal agent for the grant and asked if staff had involved them in the development of the proposal. Erik Aamoht responded that the award has been discussed at the staff level, but has not been raised formally with the MJSP Board. Erik, Luke, and others noted that the committee developing the grant proposal would like to find an oversight body that could monitor the grant and that the MJSPB is just one option at this time, and obviously, they must be asked if they want to have a role in implementing the grant after July 1. Luke Weisberg noted that there will be at least one more exchange of paperwork between the GWDC and USDOL regarding the details of this grant implementation, so we still have opportunity to work out some details. Matt Kramer suggested softening the language to acknowledge that the MJSPB still needs to be approached regarding their interest in the grant.

Michael Murphy recognized the work of Kathy Sweeney, Mary Ellen Novotny, and Mary Jacquart to draft this proposal and to create cooperation among the agencies. Erik Aamoht added the goal is to have long-term collaboration among the agencies, so local communities can see the value of working together; which could be a long-term vision for administering programs. Chancellor McCormick added that he can see several opportunities to connect this grant award to existing efforts. He noted a special arrangement currently in place in a few rural Minnesota communities where one of the conditions of getting a bank loan is to complete a special fiscal training program at participating MN State Colleges and Universities institutions. He suggested that, perhaps, the services available through the Incentive Grant could be a prerequisite to advancement for participating employers/industries that need these kinds of services.

Matt Kramer asked if the dollars would be distributed geographically, on a first-come, first-serve basis, or based on need. Luke Weisberg said that some estimates would be made, based on demographic and/or labor market information about where there is likely to be the greatest need and that local leaders would have a sense of the estimate for their region. However, the actual distribution of funds is expected to be based on actual projects that are identified locally. Matt noted that the expected influx of Hmong refugees could use virtually all of these funds. There was agreement that a targeted use of the funds might make it easier to account for the impact the funding had in Minnesota. However, there was also some acknowledgement that there is need in many areas and that some method for meeting immediate needs, and giving most areas of the state an opportunity to do so fairly, is valuable. John Molinaro suggested that estimates can be established and then utilization can be reviewed proportional to local need and proportional to overall statewide need.

Roger Hale entertained a motion for approval. There was a motion, and it was seconded. Luke Weisberg asked for clarification on the percent of funding that should be allocated for expenses other than direct program services. Luke stated the funding would increase from 75,000 to 105,000 for the purposes outlined earlier (initial planning, staff training, marketing and oversight). John Molinaro suggested that five percent of the funds could be allocated specifically for marketing as a “program expense” so as to maintain a ten percent cap on other/oversight expenses. Roger said he does not think marketing will require five percent of the funding, and Chancellor McCormick added that he is concerned with raising the percent. Roger asked committee members if they would be comfortable with increasing the amount available for administration to 15 percent if the proposal development team outlined a specific spending plan for the increased percentage. Matt Kramer stated he is not comfortable with an increase to 15% and that he expects there will be a spending plan for the 10% as now described. The committee voted to approve the proposal and keep the allocation for non-direct program services/oversight to no more than 10% of the grant award.

3. 2004 Investment Advisory / Portfolio Recommendations

Discussion of programmatic recommendations

- Sandra Peterson highlighted the recommendations from the Developing the Emerging Workforce Committee. Roger Hale questioned why Minnesota is 49th in the number of students per school counselor. Sandra explained that there is currently no requirement regarding the number of students per school counselor. Rollie Morud added that about ten years ago, accreditation changed its goals to a broader local assessment. The effects of those changes are now coming into play. In addition, funding has been cut over the last six years. Don Gerdesmeier added that the GWDC has been discussing the shortage of school counselors for a number of years. John Molinaro recognized that if one reviews the data, the range of issues surrounding career and technical education have widened since the 1980s; the amount of time spent on career issues have decreased immensely. Sandra Peterson added that committee members should keep in mind that crisis and scheduling take the majority of the counselors time with students. The ISEEK Solutions Board could be part of the possible solution to lessen the impact of the lack of school counselors.

Matt Kramer stated the Department of Employment and Economic Development (DEED) is wrestling with how to define the scope of the WorkForce Center System, so it is difficult to determine how the WorkForce Centers should work with schools more effectively. Dan Smith said that the committee’s concern is that the schools recognize the WorkForce Centers as a resource, and there is coordination among the WorkForce Centers and the schools. Sandra said the committee also discussed the vehicle to create a stronger connection and

determined the Youth Councils would provide a good bridge between the workforce system and education. Erik Aamoth responded that DEED does not have direct oversight over the Local Workforce Councils or how they use their Youth Councils. DEED is trying to lessen the mandates on the local level, so the Department would not support a mandate for Youth Councils. Sandra said the committee felt strongly about having mandatory Youth Councils because of the role they could play.

Roger Hale said some of the issues being raised deal with the relationship between the state and local level. These issues need to be addressed through the WIA Unified Plan update. There is no clear answer as to what the right balance of power is. Matt Kramer added that DEED is interested in participating in the project that involves the recommendation around a broad set of measures.

Chancellor McCormick said one of the weaknesses with the P-16 Group is the lack of business leaders and suggested it could be a future point of discussion for that committee. Sandra Peterson added that she and Koryn Zewers met with Cindy Crist to see if a partnership could be developed between the Developing the Emerging Workforce Committee and the P-16 Group, and the staff team seemed interested. However, career education was very vague to them.

- Roger Hale asked Luke Weisberg about the process and timeline for completing the recommendations to the Governor. Luke said the next Executive Committee meeting is scheduled for June 21st. The goal of this meeting is to have general agreement around most of the structural and programmatic recommendations, so staff can complete the work. Then the full Council can review and approve the recommendations at their July 16th meeting, and the recommendations can be submitted to the Governor to influence the 2005/2007 budget and WIA planning processes. Luke added that a rough draft will be sent out to key stakeholders prior to the June 21st meeting for input. Roger asked if Executive Committee members are comfortable with the general direction of the report. Matt Kramer replied that he is okay with the direction of the report, but would defer to the Department of Education for the recommendations affecting them. Dan Smith said he would discuss the recommendations with the Department of Education leadership.
- Luke Weisberg outlined the Sustaining and Enhancing the Workforce Committee's recommendations. The committee continues to advocate for additional resources for health care training. The committee is suggesting that there is still a pressing need for training in the healthcare sector. Chancellor McCormick said the workforce shortages in the health care sector are still evident, and the Minnesota State Colleges and Universities System did not receive the six million dollars they requested to help fill this gap. Luke also said the committee would like to repeat the recommendations submitted to the Governor from the Bioscience Council to make a connection between the two efforts. Chancellor McCormick said Minnesota is the first in the world for manufacturing medical equipment and expressed a concern for emphasizing biosciences when Minnesota should pool its resources to remain first in the medical equipment field. Luke added that the third sector the committee is highlighting is the manufacturing sector. The recommendations in this section of the report connect to some of the work the Initiative Foundations are currently working on. Roger asked if there was general agreement with the recommendations and committee members agreed.

Discussion of structural recommendations

John Molinaro said there are two main issues emerging from the Workforce Service Area Boundaries Ad Hoc Committee discussion: is a Workforce Service Areas too large to plan effectively or too small to administer services effectively. Duluth and Winona are two areas that may be too small to administer, and Rural MN CEP may be too large for planning. One of the questions that emerged as a part of committee discussions is if the state would be willing to look at smaller structures. John said he attended one of the three focus group sessions the committee held to get input from Local Workforce Council members and Local Elected Officials. John said participants had an entirely different viewpoint from the committee and suggested beginning the discussion by reviewing if the Workforce Service Areas are currently meeting performance expectations. Then review if the Local Workforce Councils are playing attention to continuous improvement. If and only if both of those were not going well, then the GWDC should look at boundaries geographically. John said that many of the committee's concerns with planning could be dealt with without changing administrative boundaries. However, Winona County, for example, will always have a small customer base making it easier for performance to fluctuate. The committee has not drafted recommendations at this time but will have final recommendations in the near future.

Erik Aamo said the Department of Employment and Economic Development is attempting to create a more locally run system. However, will the Local Workforce Councils be able to handle the additional responsibility administratively if they are asked to play additional roles, and what will be the effect on program performance? To serve customers, both jobseeker and business customers, the Workforce Service Areas need to work together. Customers do not care where administrative boundaries lie; they want quality service.

Inclusion/refinement of earlier GWDC recommendations

Roger Hale outlined pages 28 to 33 of the Minnesota *WorkForce Center Strategic Plan*. He said staff will include recommendations from past work with the recommendations they are drafting for the Governor and will put those recommendations in the context of the Workforce Investment Act Unified Plan update.

Roger thanked everyone for their participation and closed the meeting by saying that staff will draft recommendations for the Executive Committee to review prior to the meeting on June 21st, and the committee will review the draft portfolio report and recommendations for the Governor at that time.