

GWDC Creating System Excellence Committee September 22, 2004

Members in attendance: Sharon Bredeson, Chuck Johnson, Matt Kramer, John Molinaro, Inez Wildwood

Guests and staff: Erik Aamoth, Anne Olson, Libby Starling, Luke Weisberg

1. Welcome / Framing our work

John welcomed everyone to the committee, noting that he is looking forward to the committee's work.. He outlined the committee's charge: to create a strategic vision for the WorkForce Center system that begins in 2007 and out for the next five years or so. In order to get that job done, he cautioned that the committee will need to stay at the 30,000 foot level and not get bogged down in too much detail. He noted that we can't afford to micro-manage the effort and instead, need to articulate vision and principles that can be implemented by the partners.

John outlined three examples of how the publicly-funded workforce development system is on the cusp of change. 1) Financial resources are declining and will likely continue to do so, threatening the viability of the system as it currently operates. 2) The function of workforce development (and particularly the publicly-funded system) is shifting in the context of a rapidly changing labor market. John cited demographics and the coming demand for workers which will quickly outstrip the supply of traditional workers. Citing his own experience in West Central Minnesota, John said we will need to take every available worker and ensure they have the skills to succeed. 3) If we're going to stay competitive, we will need to embrace the immigrant workforce – they represent our competitive edge. Because of these trends, the public workforce system has the potential to play a much more central role in our economy – however, John noted that the first two points threaten that potential. John reiterated that the committee's job is to envision a system that embraces all the resources we have that, in turn, maximizes our workforce. The committee should focus on the “why” and the “what” of this kind of strategic vision and leave the “how” to skilled professionals to implement.

2. Committee Introductions

John asked members to introduce themselves and identify their own interests and perspectives in this work.

Sharon Bredeson, President of Staff-Plus for 31 years and an active, long-time member of the Minneapolis Workforce Council. Sharon also noted that she served previously, under Governor Carlson, on the GWDC. From her own work world, she sees the need for a workforce with greater skills than they now have.

Chuck Johnson, Program Director, Minnesota Family Investment Program, MN Department of Human Services identified himself as Commissioner Kevin Goodno's representative on the GWDC.

Libby Starling, Director of the Policy, Planning and Measures Office within DEED introduced herself. Matt described Libby's unit as the internal strategic planning and quality improvement unit.

Anne Olson identified herself as Director of the MN Workforce Council Association, an association representing the staff directors, Local Elected Officials and Local Workforce Council chairs throughout the state for each Workforce Service Area.

Commissioner Matt Kramer, from the MN Department of Employment and Economic Development (DEED)

Inez Wildwood, Employee Relations Representative with Allete in Duluth and Chair of the Duluth Local Workforce Council.

John noted that we may have other members on the committee who could not attend today: Michael Murphy from the MN State Colleges and University system and Kathy Carney from Teamworks. John also said that other members of the GWDC, from among the new appointees, may join the committee at a later point.

3. Overview of prior work

GWDC perspective

John asked Luke to highlight the GWDC's prior work in this area. Luke reminded members that the Legislature initially gave the GWDC this assignment in 2001, hoping for a plan to identify how many WorkForce Centers there should be and where they should be located. While there are federal and state-level expectations about what services should be provided, the GWDC has historically said that local leaders should have discretion in "how" and "where" services are delivered. Consequently, previous work leaned toward providing information and analysis for use by local decisionmakers and state policymakers. Luke noted that the Council covered related ground in the Workforce Service Area (WSA) study (also requested by the Legislature). That report, completed in January 2004, outlined three roles for Local Workforce Councils – only one of which is about management and operation of WorkForce Centers. Finally, Luke said that in earlier work by the GWDC on WorkForce Center operations, the GWDC has previously likened the state/local balance to a split between retail and wholesale – with retail decisions being made by local leaders and wholesale services being provided through state and federal resources.

John said he has started to think about Embers restaurants as an example of an appropriate franchise model. Embers' are locally owned, locally sited, and a portion of the menu is controlled by the local owner.

DEED perspective

Matt first acknowledged his personal commitment to being part of this work and following through on the committee's efforts. Matt identified three principle drivers for strengthening the WorkForce Center system:

1) The current system is not sustainable in terms of financials, staffing and performance. We can no longer meet the requirements of current and future demographic and economic demand, with what we have now. With the aging workforce in our state, we can't afford to waste a warm body. Further, our state economy is also demanding greater skills among its labor force. With the creation of DEED, we now have a model of development – not workforce development, not economic development, just development. DEED's regional administrators are at the forefront of this vision. The WorkForce Center system needs to be part of our overall development model.

2) We have inconsistency in what our WorkForce Centers sell. Our customer is the employer. We need to understand what the employers need. A metaphor for understanding this is the timber industry – like the timber industry, we sell a resource – employees – to our customers, the employers. The job seekers we serve are our product (and a secondary customer). Matt noted that the Embers' analogy might work – and that a starting point is that all Embers' sell food. Currently, our WorkForce Centers are varied enough that some sell food and some sell cars, and some sell other things entirely.

3) Walk-in traffic is obsolete and we need to build on electronic access for the future. Matt noted that DEED is currently exploring a relationship with libraries as a venue for making our Internet-based services available. We need to screen down to serving only those who truly need face-to-face interaction.

Matt also suggested that today, we have a model of independent franchisees – each one decides how they're going to build a WorkForce Center. Some are in colleges, some are in strip malls, some are hiding behind strip malls. Our WorkForce Centers vary in terms of orientation, location, look and feel. It is neither a McDonalds nor an Embers franchise model -- we could use minimum standards of product, branding and overall structure. He noted that the state is often held legally liable for results. If the state is going to assume responsibility for that liability, then the state will insist on some basic standards.

John noted that much Matt's message was echoed in customer focus groups they just held in his region. Online job search is preferred (by a long shot) and MN Job Bank is most trusted source with print Want Ads showing up as a secondary source. Matt noted that the MN Job Bank is now advertising and employer orders are up by 42% with individual use up by about 36%. Members noted that we need to agree on the right metrics by which we measure our progress and then manage resources toward those objectives.

MWCA perspective

Inez said that she drew much of her perspective from discussions with other Local Workforce Council leaders, and particularly from the most recent Chairs meeting in Detroit Lakes this summer. The key issues for Chairs are the structure of the WorkForce

Center system, how to best deliver services, and finding as many opportunities for local decisionmaking as possible. As an example, she noted that many people on her Local Workforce Council have issues about the location of the Duluth WorkForce Center. But, DEED holds a long-term lease on the space. How does the Local Council impact that? Another issue is the variety and availability of services available in a local area. She noted that Duluth is a hub for health care services and so there are a disproportionate number of customers with rehab-related needs. But, funding is not apportioned accordingly and it is a state-level, not local decision. Again, how would a Local Workforce Council impact this? If business people are expected to stay at the table, they need to have tangible, measurable impact. Inez underscored that Local Workforce Councils need data that is timely and meaningful and decision points that are real.

Anne added that MWCA is focusing attention on training Local Workforce Council members to do their jobs effectively and building greater inclusion of Local Elected Officials (LEOs) and Chairs into the Association's work . She also said that Association members have recently agreed on two steps that will help Local Workforce Councils become more integrated with economic development, less focused on day-to-day service delivery, and more attentive to bigger picture thinking. There is a tentative plan to encourage each Local Workforce Council to have an integrated economic development/workforce plan (how to reach prospective employers); and, a skills gap analysis (supply vs demand in each area). It has been suggested that if the analyses yield shared skills gaps across state, then we will have created a bottom-up approach to identifying statewide needs. Finally, Anne underscored that local-level decisionmaking is always the focal point for her members.

Inez noted that some Local Workforce Council members bring with them strong relationships between economic and workforce development. However, she notes that this is a minority of local leaders. Consequently, the "economic development 101" work now being planned is appropriate. From that point, each Local Council can then develop a "SWAT team" locally that includes all the right partners to address business needs.

Matt suggested that much progress has been made since July 2003. The DEED merger was in the making for four years – and work is now starting to show benefit. The goal is fully integrated economic and workforce development -- we'll just call it "development". If we define our customer as businesses, then you're not serving "group A" and "group B" (people with specific needs) and potentially working with people for whom we have no jobs. Rather, if we focus on business as the customer, then we serve jobseekers by making certain they are a successful "product" for that customer – with the right skills, education, and training.

John cited local statistics from West Central: for every one person with no high school degree, we have four jobs available. We have employment opportunity, and in that market, we need to provide services to not leave those people behind AND create more jobs so those people have more opportunity. Inez concurred, and also noted that this kind of perspective shift can be very threatening to professional staff who have not seen their work in this way. This requires a significant education and support effort with existing

staff Matt also underscored that DEED just laid off 24 Job Service staff because federal funding continues to be flat (or decreasing) by nearly 45% in many cases (over the past decade?). WIA reauthorization won't change this. Libby noted that data from a year ago showed that MN ranks 47th in the nation (per unemployed person) in receipt of federal WIA funds.

4. Committee perspectives

Following are items posted on the board, contributed by individual members. (They have been organized here for presentation purposes)

Job Bank

- Eliminate cumbersome job listings
- Wrong job titles – hard to search
- Make phone numbers obvious on resumes
- Plain language in job bank
- More user-friendly job bank
- Individuals using MJB need decent resumes
- Marketing to make Minnesota's Job Bank valuable to businesses
- Allow employers to pay for upgrading Minnesota's Job Bank

Outreach and Marketing

- WFC staff need to create relationships with employers
- “Tennis-shoe” work to get employers to use Minnesota's Job Bank, etc.
- Get out from under the bushel basket – market!
- WFC staff think entrepreneurial – i.e., Matt's Embers
- Marketing to make Minnesota's Job Bank valuable to businesses
- Overcome “you get what you pay for”

Partnerships

- Create the WorkForce Center as a single entity of resources – not programs under one roof
- Make vocational rehabilitation an integrated partner in all WorkForce Centers
- Get info on all services to customers (i.e., child care, health, etc.)
- No electronic one door – seamless technology

Organizational structure

- Provide incentives to serve employers
- Core services vs. local services
- Provide cross-system (DEED, MnSCU, MTI, DHS, non-profits) proposals to employers
- Align use of resources with state, regional, and local economic goals
- Bring six sigma to the people piece
- Global recognition on who our customer is – the employer – and the workforce is our product (needs to be a quality product)

Local Workforce Investment Boards

- Local control in use of money

Resolve tensions between local councils and local staff
Communicate to all members of local workforce investment boards
Leadership development with local workforce investment boards

Use Technology

Move to all resources available on-line
Don't leave behind the technologically illiterate
Use telecommunications – pilot telephone delivery (not in-person)
More incumbent worker training

5. Next Steps

Erik Aamoth underscored the importance of helping other stakeholders in the workforce system become aware of this committee's work and view this as a venue in which these issues will be addressed and vision will be crafted. Matt affirmed this and added that we help convey a sense of urgency, given the financial pressures on the WorkForce Center system due to federal funding.

Inez emphasized that when we've spoken today about local control, it really must mean the Local Workforce Council members themselves – not staff and not other groups. There was additional discussion about ensuring a system to speak directly with individual Local Workforce Council members throughout Minnesota. Luke and Anne agreed to focus on this, with help from Kathy Sweeney.

John concluded by affirming that we got a good start in this meeting and that our challenge is to complete our vision by 1/05 and develop a strong communication plan to bring other stakeholders into the vision and move forward with implementation.

The committee agreed to the following meeting dates and times:

Friday, 10/15 from 10:00 am to 2:30 pm and tentatively on 11/19/04 and 12/17/04.

The meeting was adjourned.