

Northeast Minnesota
WORKFORCE INVESTMENT BOARD MEETING
Iron Range Resources – Eveleth MN
Wednesday, June 24, 2015

Meeting was called to order at 10:10 a.m. with the following in attendance:

Members: Bud Stone, Roland Root, Craig Pagel, Paul Carlson, Dave Hart, Jason Quiggin, Jill Anderson, Dave Ulrich, Mike Valentine, Allen Rasmussen, Kelly Zink
Excused: Jeff Lee, Darik Carlson, Sue Collins, Betsy Harmon, Barb Hilde, Tom Jamar, Terri Nystrom, Stan Paczynski, Al Rudeck
Guests: Trent Janezich, Erik White, Roy Smith, Cora Leibig, Shauna Paul
Staff: Michelle Ufford, Renee' Marconett

Motion was made by Valentine, supported by Ulrich to approve the April 22, 2015 minutes as written; motion carried unanimously.

Program Year 2015 Funding Allocation Update
Michelle Ufford

A handout was distributed outlining PY'15 Program budget changes. There was a 17% increase in WIOA Adult funding, a 6% increase for the WIOA Youth Program, but a large decrease in WIOA Federal Dislocated Worker funding (16.1%). This equates to a \$62,000 increase of the total federal allocation. Ufford will update the Board once the State allocation is received after the legislative special session. There are two additional/supplemental funding sources available for PY'15, the first of which is an appropriation from the Legislature for rural workforce coordinators. Directors from all rural Workforce Service Areas met with a bi-partisan rural senate caucus to discuss workforce funding needs. There was general conversation about the importance of early career planning for youth and the perception that there are many organizations seeking to get into the workforce development and subsequently receiving allocations from the Workforce Development Fund that essentially decrease resources for the public workforce system. It appears these statements were interpreted as a need for people on the ground to coordinate Workforce

programs. Subsequently, the legislature passed an annual allocation of \$500,000 for rural workforce coordinators to work with outstate WSAs, specifically excluding service areas that serve a single city outside the metropolitan area (Duluth and Winona). It is yet unclear how these funds will be allocated and whether DEED will be involved. As outlined in legislation, the responsibilities of the coordinator are to “understand the needs of existing, new and prospective service area businesses in regard to workforce development programs, resources, and other services; connecting job seekers, secondary and higher education institutions, employers, along with other stakeholder and partners.”

The second additional funding source is a \$750,000 State Dislocated Worker grant to serve workers dislocated from local mining operations, approved to serve up to 425 individuals. This will encompass all individuals affected by the mining downturn and can include dislocated workers from industries who supply services to the mining companies. Companies specifically cited in the grant application included US Steel, Steel Dynamics (Mesabi Nugget), and Cleveland Cliffs. Sessions to meet with groups of affected workers to discuss dislocated worker program services, unemployment benefits, and Trade Adjustment Act services are being scheduled over the coming weeks.

Workforce Innovation and Opportunity Act (WIOA)

Michelle Ufford/David Ulrich

Ulrich serves on the Governor’s Workforce Development Council. A committee has been formed to discuss recommendations that are relevant to WIOA and Local Boards. The majority of board membership must be from the private sector (50%+) and Labor and CBO’s at least 20%. GWDC representation under WIOA includes the Governor, Chief Elected Officials, State Agencies, Labor, Education, and private sector. The committee is in the process of increasing the population of private sector members from five to 21. Criteria for private sector GWDC membership entails industries with the largest number of jobs statewide, highest wages and greatest opportunities for workers’ wealth generation, and positive job growth. Industry sector priorities will include Agriculture, Construction, Health Care and Social Assistance, Manufacturing, Professional and Business Services. Private sector members will serve a two year appointment with staggered time frames. Increasing the number of private sector members will make the GWDC more collaborative in decision making.

Under the new federal Workforce Innovation and Opportunity Act (WIOA), workforce service areas must complete a regional plan in conjunction with contiguous workforce services areas where there are important commonalities, such as a shared labor pool, interdependent industries, or economic dependencies. The Northeast region will be paired with the Duluth Workforce Council to ensure both service areas develop a regional workforce strategy that coordinates the efforts of both workforce service areas. We are already working regularly at a service and program level with Duluth Workforce Development, the city's workforce program department, and are partners at the Duluth Workforce Center. All Workforce Center partner management (AEOA, DEED Job Service/Vets/Rehab/Services for the Blind, NEMOJT, and Duluth) meet monthly to discuss Workforce Center operations, grant and program opportunities, staffing issues, operational concerns, and costs associated with operating Workforce Centers. The Northeast and Duluth WIBs will be expected to convene a meeting of stakeholders later this fall to begin the process of collaborative regional planning.

Existing workforce service areas may continue to operate under WIOA if performance measures have been met over the preceding two program years and the administrative entity has demonstrated fiscal integrity. The Office of Job Training meets the criteria, so Ufford has drafted a letter to Governor Dayton requesting re-designation of the seven-county Arrowhead region as Workforce Service Area #3. The region encompasses Cook, Lake, St. Louis, Carlton, Koochiching, Itasca, and Aitkin counties, minus the city of Duluth. **Motion was made by Rasmussen, supported by Root to approve the letter requesting ongoing designation of the Northeast Workforce Development Region that covers the Local Board's geography. Motion carried unanimously.**

Each year the Office of Job Training must submit a Local Unified Plan to the State which outlines strategy for the workforce services area and the WIB oversight. Because this is a transition year into WIOA, DEED does not require a full plan. To remain in compliance, only a signature page must be submitted stating the WIB agrees to operate under the current Local Unified Plan. **Motion was made by Ulrich, supported by Rasmussen to continue operating under the current Local Unified Plan. Motion carried unanimously.**

A handout was distributed outlining the Regional Planning requirement under WIOA. The purpose of these regional plans is to develop, align, and integrate service delivery strategies, which has been implemented with the Duluth WIB in the past; along with supporting the state's vision and strategic and operational goals. Workforce Investment Boards and Local Elected Officials within a planning region must participate in a regional planning process that results in the development and implementation of sector initiatives for in-demand industry sectors or occupations. This is one of the big differences between WIOA and past practices to formalize sector partnerships and sector initiatives. The Boards will concentrate on discussing specific sectors to target, resources and time, making sure services is aligned, and people are getting into these occupations. Additional requirements will include the coordination of administrative cost requirements, transportation and other supportive services, establishment of an agreement concerning how the planning region will collectively negotiate and reach agreement on local levels of performance on accountability measures.

Ufford updated the Board on the structure changes under WIOA. The Workforce Investment Board vision and purpose will remain the same. The membership is still majority of private sector, with a change of board composition under WIOA is the breakout of at least 20 percent of local board must be workforce representatives. Members are encouraged to recommend individuals from industries in terms of mining, utilities, and healthcare. Discussion will resume at future meetings.

Segetis Presentation

Cora Leibig, Chief Operating Officer

Segetis is a technology-enabled green chemistry company producing versatile chemical building blocks. This new platform harnesses the power and reliability of renewable agricultural and forestry resources. Powered by its Javelin Technology, this portfolio of bio based products are backed by a strong intellectual asset portfolio built on a filed composition of matter patents. Segetis has a focus on Performance First and is transforming the chemical industry by offering unique material properties, cost effective economics and a dramatically improved health and environmental footprint. Solvents and Plasticizers are the first commercial products.

Segetis transforms simple carbohydrates into Levulinic Acid, a chemical block recognized as a “top 12 value-added chemicals from Biomass” by the US Department of Energy. Segetis provides bio based formulation aids which solubilize a wide range of difficult active ingredients including sunscreen actives, solubilize multiple active ingredients, enable higher concentration formulations, provide low odor and are biodegradable.

Segetis is based in Minneapolis. IRRRB has approved \$31.3 million for funding the first commercial facility in Hoyt Lakes MN, with the total project cost of \$92 million.

MWCA Summer Meeting

Michelle Ufford

The Minnesota Workforce Council Association summer meeting will be held in Duluth on August 4–6, 2015. All WIB members are encouraged to attend. There will be a regional planning work group held from 3:30-5:00 p.m. on August 4th. Bud Stone, Dave Ulrich, Kelly Zink, Mike Valentine and Allen Rasmussen have volunteered to participate along with Duluth and NW Wisconsin Boards and discuss what the regional plan may look like moving forward.

Meeting adjourned at 12:05 p.m. Next meeting scheduled for Wednesday, September 23, 2015 at IRRRB in Eveleth.