

**SD WORKFORCE DEVELOPMENT COUNCIL**  
**Regular Quarterly Meeting**  
**January 15, 2014**  
**11:00 a.m. CT**  
**Kneip Conference Room # 3**

- |                                       |                 |               |
|---------------------------------------|-----------------|---------------|
| A. Call to Order                      | Warren Lotsberg |               |
| B. Introduction of New Council Member | Bill Molseed    |               |
| C. Roll Call                          | Kari Porch      |               |
| D. Approval of Minutes                | Warren Lotsberg |               |
| E. Director's Report                  | Bill Molseed    |               |
| F. Business                           |                 |               |
| 1. Workforce Development Discussion   | Marcia Hultman  |               |
| 2. Youth Council                      | Bill Molseed    | <b>Action</b> |
| 3. LMI Grant Update                   | Bernie Moran    |               |
| 4. Area Health Education Center       | Bruce Vogt      |               |
| G. Adjournment                        |                 |               |

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**AGENDA ITEM A      CALL TO ORDER**

The South Dakota Workforce Development Council (WDC) met in Pierre, in Kneip Conference Room #3, on January 15, 2014. The meeting was called to order by Chairman Warren Lotsberg at 11:00 a.m. CT.

**AGENDA ITEM B      INTRODUCTION OF NEW COUNCIL MEMBER**

Bill Molseed introduced several new council members. Jim Borszich was recently appointed by the Governor. Jim moved to Huron in 1989 and is the President and CEO of the Greater Huron Development Corporation. He has also worked in the banking industry and the private sector.

Tiffany Sanderson, Office of Career and Technical Education, was designated by Secretary Melody Schopp to represent the Department of Education. She works closely with the Department of Labor and Regulation and the Board of Regents.

Eric Weiss, Director of the Division of Rehabilitation Services, was designated by Secretary Gloria Pearson to represent the Department of Human Services. He has been with Human Services since 2000. He became the Division Director for the Division of Rehabilitation Services in September 2013.

Marcia Hultman, Department of Labor and Regulation Cabinet Secretary, has been with the department for 16 years. She began her career with the department as an Information Officer. She served as the Deputy Secretary and interim Secretary prior to being appointed Cabinet Secretary on December 9, 2013.

Two long time dedicated council members recently passed away. Wally Myers was currently serving on the council and George Cook had retired from the council a few years ago. Secretary Hultman and the Council send their condolences to the families.

**AGENDA ITEM C      ROLL CALL**

Roll call was conducted and a quorum was present.

Members Present

Warren Lotsberg, Chair	D. J. Mertens	Marcia Hultman
Tom Bohnet, Vice-Chair	Tiffany Sanderson	Eric Weiss
Nathan Lukkes	Paul Turman	Cal Geis
David Giovannini	Randy Hanson	David Westbrook
Jim Borszich		

Members Absent

Sarah Folsland

Others Present

Bill Molseed

Bruce Vogt

Sandy Viau-Williams

Kendra Ringstmeyer

Kari Porch

Rachel Blume

Bruce Vogt

Tia Kafka

Bernie Moran

Mark Anderson

John Anderson

**AGENDA ITEM D APPROVAL OF MINUTES**

D.J. Mertens made a motion to approve the August 25, 2013 minutes. David Giovannini seconded the motion. **Motion passed.**

**AGENDA ITEM E DIRECTOR'S REPORT**

After months of political posturing and antics the House and Senate completed work on an omnibus spending package for the remainder of FY 2014 (through June 2014). The leadership indicates this bill should be passed by both houses of Congress and signed by the President. This funding bill gets us closer to where we were prior to last year's sequestration cuts, but nowhere close to the funding we need to fulfill the work that needs to be done on workforce development.

**1. Training & Employment Services**

Workforce Investment Act programs received a funding increase of around 5 percent for PY 2013 sequestration levels. The state allocation in the omnibus was also increased to 8.75 percent. This funding was at 15 percent until a couple of years ago. This increase is welcome, but is still not sufficient to meet the required elements for this resource under the Act. Some in Congress are working to restore this fund to the original 15 percent level.

**2. Federally Administered Programs**

Funding for the WIA Dislocated Worker National Reserve will see funding reduced by approximately 10 percent (part of this decrease is a result of special Hurricane Sandy funds included in the prior year), with Native Americans, Migrant and Seasonal Farmworkers, Youth Build seeing its funding increased by a little more than 2 percent. The Workforce Innovation Fund will be flat funded for PY 2014 at approximately \$47 million.

**3. National Activities**

Pilot projects and evaluation activities at USDOL were not funded in the FY 2014 omnibus bill. Job Corps received an increase in funding of slightly less than 5 percent for a total of \$1.69 billion for FY 2014.

4. **Unemployment Compensation**

State Unemployment Insurance Operations will be funded at \$2.8 billion for PY 2014, down 3 percent from the PY 2013 level.

5. **Employment Service (Wagner-Peyser)**

State administration of Wagner-Peyser services along with Foreign Labor Certification, One-Stop and Labor Market Information operations were funded at the same FY 2013 levels.

6. **Veterans Employment & Training**

The Jobs for Veterans State Grant program will see FY 2014 funding levels at \$175 million, an 8.5 percent increase from the previous year.

When considering the recent actions of Congress this bill is the best we can hope for at this time. The investment of these workforce development funds has a positive impact on South Dakota. Thousands of individuals utilize these resources to fund training that provides them entry to occupations that are in demand.

The state office team worked with our Watertown local office on a significant layoff due to the announced closure of Minnesota Rubber. This action impacts over 170 workers. The company applied for Trade Act Certification, which if approved will provide funding to help with retraining. Fortunately, Watertown has a number of good jobs that will be of interest to the workers once layoffs commence.

We continue to place an emphasis on serving eligible youth under WIA. The youth program is where funding is available and it is the right thing to do. If we can better prepare our young workforce we can reduce the issues they face as they mature. Our youth specialist, Kendra Ringstmeyer, has spent a considerable amount of time laying the groundwork for a successful program.

The WIA Annual Report has been submitted to the Governor and United States Department of Labor. The year ended on a strong note for the program. We met all nine performance measures for the WIA Adult, Youth, and Dislocated Worker activities. Of these nine, we exceeded seven. The program served nearly 2,000 individuals. Cost was a very respectable \$2,671 for adults and dislocated workers receiving full service (about half the national level), and for youth the average cost was \$1,530 per participant. The program serves many with multiple employment barriers.

**Adults:** 16 percent dropouts, 19 percent offenders, 14 percent skills deficient, 30 percent single parent, 50 percent on Food Stamps,

**Youth:** 27 percent pregnant/parenting, 12 percent homeless, 31 percent dropout, 39 percent skills deficient, and 13 percent disabled.

We continue to work on updating the WIA policies. From the recent federal reviews we were asked to work on four specific policies, we have expanded this

to review all policies related to the WIA program. This is a time intensive process, but does provide for a better program. When our local office staff have clear written guidance as to how the program should function we have fewer issues to deal with.

USDOL has changed and tweaked the process for reporting. The Workforce Investment Act Standard Record Data has been in use since the inception of WIA, but has recently added new items and changed some definitions. Some of these items are very specific minutia which must be validated. This adds considerable time commitment for our team as they review the files and conduct on-site visits.

The Disability Employment Initiative (DEI) in the Black Hills is receiving a lot of attention from our federal partners and their technical assistance consultants. We have done a great job in building this program helping youth with disabilities transition from high school to employment or postsecondary education. Recently the DEI team was asked to present on our project on a national webinar. Hundreds of service providers across the country attended the webinar. The premise of our project is based on building effective partnerships, using positive career education interventions, and integrated resource teams. This presentation resulted in many kudos, more importantly contacts with our programs across the country wanted to learn our secret, in particular, the success we have with our partners.

We are working with partners in supporting grant applications. We will not be the lead entity but will be an active partner should the grant be awarded. The Black Hills Special Services Cooperative and Sanford are submitting applications for the Youth Career Connect grants. The focus of this grant is to work with schools to prepare youth for success in high-skill high-demand occupations. Lake Area Technical Institute is preparing an application for a soon to be announced H-1B grant. These grants are targeted to provide training to increase the number of individuals who are trained for occupations currently being filled by foreign nationals under the Visa process. More information will be provided as these grants are finalized and submitted. These are competitive grants.

## **AGENDA ITEM F BUSINESS**

### **AGENDA ITEM F1 WORKFORCE DEVELOPMENT DISCUSSION**

A packet of information was mailed to each council member prior to the meeting. The packet included:

- 1) Information on Governor Daugaard's South Dakota WINS,
- 2) A brief descriptor of Dakota Roots,
- 3) An outline of the required role of the WDC, and
- 4) A few discussion points for consideration prior to the meeting.

Marcia Hultman and Bill Molseed lead a discussion of the workforce needs in South Dakota and the Council's role in moving the Governor's agenda forward.

Marcia is reconvening a workgroup with partner agencies. The group will meet monthly to stay abreast of each other's activities. The meetings should help prevent unnecessary duplications and allow issues that arise to be addressed sooner.

DLR has two funding bills up for consideration in Legislature. One bill would provide an additional \$350,000 to the Adult Education and Literacy programs to provide services in the local communities. The other bill would provide \$500,000 to be used for the New South Dakotans and Dakota Roots programs.

D. J. Mertins stated rural communities, like his hometown of Kennebec, have real workforce issues. There are not enough workers to fill open positions. DLR needs to be talking with businesses to determine the training and education needed for workers in order to fill the open positions.

Eric Weiss mentioned the Governor's State of the State Address and the push to hire more disabled individuals. This is one of the areas his office will be focusing on.

Randy Hanson is on the Board of the Associated General Contractors (AGC) and will provide a strong connection between the Workforce Development Council and the AGC. He wondered how we could work with colleges and universities to better educate individuals. He stated not all individuals are cut out for a four year degree. He also asked how we could keep our young people in South Dakota. Brookings is growing and there are not enough workers to fill the open positions.

Cal Geis stated Belle Fourche and other West River communities are also having trouble filling open positions. There are three large firms moving to the Belle Fourche area and several businesses are expanding creating a need for additional workers. There is a real shortage of truck drivers in the area. Western Dakota Technical Institute has been a big help in training truck drivers. He also thanked the Governor's Office of Economic Development for stepping up to the plate in assisting businesses to expand.

Jim Borszich said it is refreshing to know the state is focusing on workforce development. Businesses in the Huron area do not have the resource and skilled workforce they need to expand. Businesses are also

having issues with government regulations. He stated there are currently 500 available positions in Beadle County.

Tom Bohnet suggested creating a survey and sending it to employers to give us an idea of what types of training and educational needs their employees will need for current jobs and for job in the future. The survey could also include questions related to living expenses such as housing needs especially for low income individuals. Bernie Moran stated a survey was done in 2002 to determine training and educational needs.

#### **AGENDA ITEM F2      YOUTH COUNCIL**

Bill Molseed, DLR Workforce Training administrator, provided information on the requirement for a youth council to be created. During the recent Youth and DEI federal review our federal partners determined a youth council needed to be formed to address youth issues. The council will consist of two members from the Workforce Development Council, educators, former participants and their parents. Warren asked for two volunteers from the WDC to serve on the youth council. Tiffany Sanderson and David Westbrook volunteered to serve on the council. Bill Molseed, Kendra Ringstmeyer, and Marcia Hultman will meet with Tiffany and David to work on the establishment of the youth council.

#### **AGENDA ITEM F3      LMI GRANT UPDATE**

Bernie Moran, Department of Labor and Regulation LMI Administrator, provided an update on the Workforce Data Quality Initiative grant received by the Employment and Training Administration, USDOL. This grant focuses on the development of longitudinal studies regarding the program outcomes for WIA program participants and postsecondary program completers.

#### **AGENDA ITEM F4      AREA HEALTH EDUCATION CENTER**

Bruce Vogt, Rachel Blume, and Sandy Viau-Williams provided information on the Area Health Education Centers (AHEC). The mission of AHEC is to connect students to careers, professionals to communities, and communities to better health. South Dakota has two centers, the Yankton area Rural Health Education Center and the Northeast Area Health Education Center. The centers provided students with the opportunity to attend scrub camps and clinics to learn about different health careers.

#### **AGENDA ITEM G      ADJOURNMENT**

David Giovannini made a motion to adjourn the meeting at 1:05 p.m. Tom Bohnet seconded the motion. **Motion passed.**