

**Workforce Development Council Meeting**  
 Regular Quarterly Meeting  
 April 5, 2007

**AGENDA ITEMS**

- |                                    |                 |               |
|------------------------------------|-----------------|---------------|
| A. Call to Order                   | Warren Lotsberg |               |
| B. Approval of Minutes             |                 |               |
| C. Director's Report               | Bill Molseed    |               |
| D. Updates                         |                 |               |
| 1. State Plans                     |                 |               |
| a. Vocational Rehabilitation       | Grady Kickul    |               |
| b. WIA-Wagner Peyser               | Mike Ryan       | <b>Action</b> |
| i) public comment                  |                 |               |
| 2. Youth Programs                  | Bill Molseed    | <b>Action</b> |
| a. Year Round WIA Youth            |                 |               |
| b. Alternative Schools             |                 |               |
| 3. WIRED Grant                     | Andy Szilvasi   | <b>Action</b> |
| 4. LMI - Workforce Information     |                 |               |
| a. Economic Analysis Report Survey | Melodee Lane    |               |
| 5. Healthcare Workforce Summit     | Deb Halling     |               |
| 6. Application Renewal             | Bill Molseed    | <b>Action</b> |
| a. Adult Education                 |                 |               |
| E. Adjournment                     | Warren Lotsberg |               |

**AGENDA ITEM # A CALL TO ORDER**

The South Dakota Workforce Development Council (WDC) met at the Kneip Building Conference Room #3 in Pierre on Thursday, April 5, 2007. The meeting was called to order by Council Vice Chair Pat Lund at 10:00 a.m. CT. Roll call was conducted, and a quorum was present.

**Members Present**

Pat Lund, Vice Chair  
Grady Kickul  
D. J. Mertens  
Pam Roberts  
Helen Wegner

Cal Geis  
Patricia Kenner  
Wally Myers  
Shelley Stingley  
Roland Benson

Ann Gesick-Johnson  
Mark Wilson  
Paul Gough  
Larry Tolzin

**Members Absent**

George Cook

Warren Lotsberg, Council Chair

**Others Present**

Gayle Klinker  
Viola Richards  
Lori K. Yost  
Brian Riedel  
Sherry Duke  
Melodee Lane  
Dick Flemmer

Jay Niedert  
Bill McEntaffer  
Gloria Pluimer  
Kim Olson  
Travis Gulbrandson  
Andy Szilvasi

Cindi Banks  
Diane Thaler  
Teresa Johnson  
Mike Ryan  
Deb Halling  
Marcia Hess

**AGENDA ITEM B APPROVAL OF MINUTES**

Cal Geis made a motion to approve the January 18, 2007, minutes. Helen Wegner seconded the motion. **Motion passed.**

**AGENDA ITEM C DIRECTOR’S REPORT**

Federal Updates

The President signed the spending bill (continuing resolution) to fund federal government operations through September 2007. Most programs including Workforce Investment Act (WIA) and Employment Security (ES) are funded at the fiscal year 2006 level. This is good for the South Dakota Department of Labor (SDDOL), since proposed legislation would have included significant reductions. The most significant budget cut was to the One Stop/LMI, which passes on a rescission of funds. The bill prohibits the United States Department of Labor (USDOL) from proceeding with proposed regulation changes until WIA reauthorization. The proposed regulation changes were reported at the January 2007 WDC meeting and would not have a significant impact on how SDDOL does business. They would streamline WIA governance and integration of programs into the Career Centers.

The President submitted the FY 2008 budget request. It is similar to the administrations FY 2007 proposal. It would consolidate WIA (adult, dislocated, youth), Work Opportunity Tax Credit, and ES/Labor Market Information (LMI) into a new Career Advancement Account (CAA) program requiring the majority of funds to be allocated to CAA. The program would provide funds to adults and youth seeking

education or training, \$3,000 per year for two years. States would be required to use the majority of funds for CAA (75%).

The proposed budget includes significant rescissions to WIA programs. One methodology is reclaiming these funds from states with unexpended balances. Issue – WIA has authorized a three year expenditure period. SDDOL has funds that are committed but not yet expended; these would be in jeopardy of being rescinded. The administration contends the proposed budget is targeted at eliminating duplicative services and shift funding to training where it is needed most.

The administration's budget proposal also calls for elimination of 43 other programs including Tech Prep Education State Grants, Educational Technology State Grants, Even Start, and Leveraging Education Assistance Partnerships.

Congress is aiming for June to move on the Labor spending bill. There is a lot of competition for the limited funds available to spread through labor, health, and education.

WIA Reauthorization is still uncertain. Congress has a goal of having reauthorization completed by June. If not, reauthorization may not happen due to other priorities and an impending presidential election.

Congress is considering expanding Unemployment Insurance (UI) eligibility and creating a program of wage insurance. Financing this proposal would most certainly be increasing taxes on employers. Eligibility changes would be not denying benefits to someone seeking part-time employment; allow separation from employment for compelling family reasons; and eligible worker in training and exhausted UI benefits. Wage insurance would replace 50% of workers lost wages for up to two years up to a maximum of \$10,000.

### State Updates

Job Corps is still a major concern. SDDOL submitted a proposal to USDOL for the contract to provide Outreach, admissions, and career transition services for Job Corps in South Dakota. The contract was due on April 13, 2007. The SDDOL submitted a very competitive application. The SDDOL is the best value to the U.S. Government. However, the SDDOL is the last state agency to hold this contract. The USDOL has privatized this service elsewhere and has implied this will happen in South Dakota. The SDDOL is not concerned with the competition, but believe the youth of South Dakota will not receive near the quality of service from an outside contractor. SDDOL has the economy of scale under the SDDOL network of South Dakota Career Centers (SDCC) and true integration of program services readily accessible to any youth.

The most recent performance report for Job Corps showed a very high ranking for SDDOL in Outreach and Admissions. SDDOL was rated 5<sup>th</sup> in the nation and 1<sup>st</sup> in the Dallas region for the period from February 2006 through January 2007. For

year to date, SDDOL leads the Dallas region, by far, with an overall rating percentage for outreach of 146%, while the Dallas region rating is 96%.

SDDOL asked the Governor and Congressional delegation to assist in helping SDDOL to retain a sole source designation, which would give SDDOL the contract as being in the best interest of the public.

SDDOL began a series of training sessions designed to help local SDCC staff adjust to the responsibility of providing intensive services for adults and dislocated workers. The training sessions have been eagerly received. Two of the four regional trainings had been conducted with the final two sessions to be completed by June. The SDDOL will continue with the staff development throughout PY07. Bill thanked the WIA team for the time they spend in building an effective program.

A new reporting system for WIA is on the horizon. WISPR (workforce investment streamlined performance reporting) is scheduled to replace WISRD (workforce investment standardized record data) early in PY07. SDDOL has been working with Bureau of Information and Telecommunications (BIT) to capture necessary data.

## **AGENDA ITEM D Updates**

### **ITEM # D1 State Plans**

Grady Kickul, Division of Rehabilitation Services, provided the annual update on the State Plan for Vocational Rehabilitation. Vocational Rehabilitation is Title IV of WIA. The two Vocational Rehabilitation agencies in South Dakota are the Division of Rehabilitation Services (DRS) and the Services to the Blind and Visually Impaired (SBVI). Each year the Office of Rehabilitation Service Administration within the U.S. Department of Education requires Vocational Rehabilitation to submit either updates to the state plan or a full state plan describing how the programs will be implemented for the upcoming year. DRS held public comment meetings in Aberdeen on March 15, 2007, and in Rapid City on March 22, 2007. SBVI held public comment meetings in Sioux Falls on April 12, 2007, and in Pierre on April 20, 2007.

Mike Ryan, SDDOL Field Operations Director, provided an update on the State Plan for the Workforce Investment Act (WIA) and Wagner Peyser. The SDDOL is completing the second year of the five-year State Plan. The unified plan needs to be reviewed and the state plan for the next two years submitted by May 1, 2007. South Dakota is one of the only states to utilize a unified state plan incorporating many DOL programs under one unified plan. A draft was available at [www.sdjobs.org](http://www.sdjobs.org) until April 20, 2007, to view and make public comments. The USDOL is encouraging a national drive to integrate the services into a one-stop system, streamlining governance of WIA, and increasing the accessibility to post-secondary education. SDDOL had been doing this long before the WIA was brought on board five years ago.

The USDOL indicated state plans should be updated to address additional goals and strategies by incorporating the Workforce Innovation in Regional Economic Development (WIRED) framework. SDDOL incorporated into the state plan the WIRED framework, working with the Governor's 2010 initiative and emphasizing Dakota Roots which returns individuals and businesses to South Dakota.

SDDOL is requesting a waiver to allow for up to 100% of the funds to be transferred between the adult and dislocated worker programs based on the needs of South Dakotans. Providing this type of flexibility will improve services provided by the SDCCs. The SDDOL state plan is 128 pages in draft without any letters of support.

A motion was made by Wally Myers and seconded by Patricia Kenner to approve the state plan with updates as needed. **Motion Passed.**

## **ITEM # D2 Youth Programs**

Bill Molseed, SDDOL Workforce Training Administrator, stated the WDC and SDDOL struggle to maintain a viable employment and training system which includes its partners, the Career Learning Centers (CLC), and Alternative High Schools. Federal funding reductions or rescissions have had a significant impact on how the SDDOL does business. The federal cuts can be extraordinary when coupled with other actions.

Dick Flemmer, SDDOL Administrative Services Director, provided information on the fiscal process and the impact legislative action could have on SDDOL and its partners. Each year, the SDDOL fiscal office prepares the annual department budget request. The request is sent to the Bureau of Finance and Management, then to the Governor, and is eventually incorporated into the Governor's state budget request and presented to state legislature. The budget gives SDDOL the authority to have expenditures appropriated through state legislature allowing the SDDOL to spend their federally funded grants.

SDDOL did not reduce the state budget request for FY2008, even though funds to the CLCs for the adult and dislocated worker programs were being cut. The thought being, WIA was up for reauthorization, federal funding cuts would not be permanent, or SDDOL would receive special, one-time grants to replace the funds cut from the CLCs. The appropriations' committee discovered SDDOL had cut funding for the adult and dislocated worker programs to the CLCs. The appropriations' committee did not consider restoring the funding using state general funds. They wanted to cut the spending authority out of the SDDOL budget. This would have taken away SDDOL's ability to pass funds on to the CLCs as they became available.

The WIA Request for Proposal (RFP) packet for the Year Round Youth and Alternative High Schools was issued in early January. On January 8, 2007, SDDOL conducted a bidders' meeting by DDN. The RFP due date was March 2, 2007.

SDDOL WIA staff and WDC readers' committee members reviewed, met, and discussed each proposal and prior program performance was reviewed. The information provided in the RFPs did not provide solid information and performance in some programs needed to improve.

The WDC readers' recommended funding the Youth Career Development Program at the PY06 levels with a slight decrease for Volunteers of America due to poor performance and a slight increase for Cornerstones CLC and Watertown CLC for high level of performance and service.

The WDC readers' recommended funding the Alternative High School programs at the PY06 levels. Madison CLC - AIM High and Strive High, George Mickelson Alternative School – Redfield Public School, and Zenith High – South Central Educational Cooperative were put on notice in PY06. The SDDOL did not recommend sanctions at this time but recommended a five percent withhold while the SDDOL worked with these Alternative High School providers. The five percent would be released to the providers once the SDDOL was convinced adequate and significant progress was being met. The SDDOL is willing to work with these providers for one more year with the understanding that if progress did not come up, there would have to be some very serious discussions about discontinuing services.

A motion was made by Larry Tolzin and seconded by Helen Wegner to accept the readers' recommendations with SDDOL having the authority to withhold and release funds based on performance. **Motion Passed.**

### **ITEM # D3 WIRED Grant**

Andy Szilvasi, SDDOL Program Specialist, provided information on the WIRED grant. WIRED is a USDOL grant that allows states, boards, or a collaboration of states to work together to identify a region of potential growth. SDDOL chose the I-29 Bio-corridor and will concentrate on the bio-technology industry. Nineteen counties in eastern and southeastern South Dakota make up the I-29 Bio-corridor running from the Iowa boarder to the Watertown area. This area was chosen because it includes the areas of Sioux Falls, Brookings, Watertown, and Yankton where there are several bio-industries such as ethanol plants, bio-diesel plants, and the medical community. Bio-technology in South Dakota is booming.

The WIRED grant could provide up to \$5 million for a three year period. Funding from the grant will provide training for individuals in the bio-tech industry and the establishment of partnerships, business services to promote entrepreneurship in biotechnology and developing new businesses, and administrative services. SDDOL would be the fiscal agent for the grant. The partnership will be critical. The Governor's Office of Economic Development provided critical information contained in the grant proposal. The larger companies named in the grant will provide additional critical information for plan development if USDOL awards the grant to the state. The grant was due April 13, 2007.

The SDDOL would receive the funding in three increments. The initial increment would be \$1 million dollars for the planning activities. Any remaining funds would go toward the implementation as well as up to \$2 million each for two years.

Shelly Stingley made a motion to endorse the partnership and authorize a letter of commitment to be sent with the proposal. Wally Myers seconded the motion.

**Motion Passed.**

#### **ITEM # D4 Labor Market Information Center (LMIC) – Workforce Information**

Melodee Lane, SDDOL LMIC Information Supervisor, provided information on new grant requirements for Workforce Information. As part of the new requirements for the Workforce Information Core Products and Services grant, LMIC publishes an annual economic analysis report for the workforce investment board and the Governor. Melodee asked the SDWDC for input on the information they would like included in the report and provided a questionnaire for doing so.

#### **ITEM # D5 Healthcare Workforce Development**

Deb Halling, SDDOL Program Specialist, provided information on the Healthcare Workforce Summit. The Healthcare Workforce Summit is a joint effort between the SDDOL, Department of Education, Department of Health, and the Board of Regents. On August 6, 2006, 175 individuals attended the one day summit. The summit provided information and allowed for discussion on healthcare workforce issues in South Dakota. In January 2007, 75 people meet in Pierre to clarify the issues, and possible solutions. A second summit is scheduled for July 24, 2007.

The Employment and Training Administration had long-term care paraprofessional grants due in April. The Avera systems in the southeast area worked with SDDOL for submitting an applications for the grant.

#### **ITEM # D6 Application Renewal**

Marcia Hess, SDDOL Program Specialist, provided information on the application renewal for the Adult Education and Family Literacy (AEL) grant. There were no changes in the grant. It was more of an acknowledgement of continued services and the close working relationship the AEL program has with SDDOL.

The AEL Performance Measures were negotiated successfully and the AEL program is on track to be successful.

The National AEL program was evaluated in 2002 by the Office of Business Management (OBM) of the U.S. Government using the Program Assessment Rating Tool (PART). It measures the program design and purpose, strategic planning, program management, and program results. In 2002, the AEL program was rated

as “results not demonstrated.” In 2006, the AEL program was reassessed with the PART, and it was rated as “Effective”. It was one of two programs receiving this rating out of 89 programs.

Cornerstones CLC staff gained national recognition. Kim Olson and Becki Lemki were chosen to present at the Commission on Adult Basic Education conference. Their topic was *The Impact of Managed Enrollment on One Adult Education Program*. Up to 3,000 people attend this annual conference. Becki Lemki was accepted in a National STAR reading Trainer position. She will assist two or three other states in training teachers in the Evidenced Based Reading Techniques that South Dakota has been doing for the past two and one half years. This is quite an honor.

The WDC was informed local awards to AEL programs will be made with only slight adjustments to current funding levels.

#### **Agenda Item E Next Meeting Date**

The date for the next WDC meeting is set for July 10, 2007.

Wally Myers moved to adjourn the meeting at 11:30 a.m. CT. The motion was seconded by Cal Geis. **Motion passed.**