

WORKFORCE DEVELOPMENT COUNCIL
Regular Quarterly Meeting
July 8, 2010

AGENDA ITEMS

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|--------------------------------------|--------------------|---------------|
| A. Call to Order | Warren Lotsberg | |
| B. Approval of Minutes | Warren Lotsberg | |
| C. Director's Report | Bill Molseed | |
| D. New Business | | |
| 1. Introduction of New Staff | Bill Molseed | |
| 2. Election of Officers | Warren Lotsberg | Action |
| 3. Dakota Seeds | Ann Gesick-Johnson | Action |
| 4. Board of Regents Workforce Update | Paul Gough | |
| 5. State Workforce Agencies | Bernie Moran | |
| E. Adjournment | | |

AGENDA ITEM A

The South Dakota Workforce Development Council (WDC) met by Dakota Digital Network (DDN) on Thursday, July 8, 2010. The meeting was called to order by Bill Molseed at 10:00 a.m. CDT. Roll call was conducted and a quorum was present.

Members Present

Pat Lund, Vice-Chairwoman	Tom Bohnet	Cal Geis
Ann Gesick-Johnson	Mark Wilson	D. J. Mertens
Wally Myers	Roland Benson	Shelley Stingley
Paul Gough	Helen Wegner	Grady Kickul
Pam Roberts		

Members Absent

Warren Lotsberg, Chairman

Others Present

Bill Molseed	Kari Porch	Robert Kean
John Anderson	Melodee Lane	Steve Anderson
Scott Kwasniewski	Steve Almeida	Marcia Hultman
Mike Ryan	Dawn Dovre	Andy Szilvasi
Rich Vincent	Julie Johnson	Shirley Stewart
Greg Johnson		

AGENDA ITEM B APPROVAL OF MINUTES

Pam Roberts made a motion to approve the April 1 and May 7, 2010 minutes. Grady Kickul seconded the motion. **Motion passed.**

AGENDA ITEM C DIRECTOR'S REPORT

We recently received notice of two resignations from the council, Larry Tolzin and Patricia Kenner. Both have been committed to the work of the council and will be missed.

Once again, after many rewrites, the "Extenders Bill" has failed to pass Congress. This bill would have extended unemployment insurance, provided tax breaks for small business, and included a summer jobs program. The political issue centers on funding for the programs and is drawing concern from both parties. Supporters have stated they likely will pull particular components of the bill and try to bring them to a vote in a stand-alone bill. The major concern is how the government can help the huge numbers of people running out of UI benefits without adding to our mounting debt.

Reauthorization of the Workforce Investment Act (WIA) is still in conversation in Congress. However, other issues are consuming the little time available before the campaign season for mid-term elections. DOL has been contacted by staff from the Senate's Health, Education, Labor and Pensions committee. The question to us has been on reauthorization issues such as funding for small states and the impact on the state board, this council. Most talks in Congress to date have not discussed the issue of rural states with small populations. If we don't see any action soon, reauthorization is not likely to happen until after the next Congress is seated.

The WIA / Wegner-Peyser State Plan and waiver requests have been approved by USDOL. The plan is a one-year continuation of the current plan; no changes were made. The two waivers USDOL approved were:

- the authority to transfer funds, up to 50 percent, between the WIA Adult and Dislocated programs; this is less than the previous 100 percent allowance; and
- the authority to move to reporting on Common Measures instead of the 17 WIA measures for performance. We will still report on the outcomes. However, performance will only be for three adult measures and three youth measures.

We entered into negotiation on WIA and Wagner-Peyser performance measures. The regional office had some questions and we discussed our proposed levels. We were able to come to an agreement on the measures for WIA and Wagner-Peyser. We believe these are attainable and will work with the local offices to ensure we meet or exceed performance. The measures agreed to were:

WIA Adult

Adult Entered Employment = 72 percent
Adult Employment Retention = 82 percent
Adult Earnings = \$9,556

WIA Youth

Youth Placement = 70 percent
Youth Attainment = 63 percent
Literacy/Numeracy = 33 percent

The USDOL regional office recently reviewed our WIA ARRA Adult and Dislocated worker programs. The review identified issues needing to be addressed. Our response, stating actions taken by SDDOL, resolved all issues: locating all fiscal and contract related items in a single location; amending two agreements to be more specific in expectations; and obtaining additional documentation for two payments to substantiate allowable costs.

We received word our application for \$600,000 in additional funds to help dislocated workers has been accepted. This will provide the state with additional

training resources for workers who have been unemployed as a result of the recession. This comes at a most welcome time. The additional funding under last year's stimulus program is ending and our return to formula-funded levels has limited the availability of training funds for workers affected by continuing layoffs. We have also applied for and are waiting for word on another National Emergency Grant to replenish our spent formula funds.

The South Dakota State Energy Sector Partnership (SDSESP) grant we received was beginning to gear up but was slowed down when the USDOL Regional Office requested additional information. USDOL now needs to authorize expenditures for any single piece of equipment exceeding \$5K. We submitted a listing and descriptor of the providers and requested equipment. This was not sufficient and the regional office is now requiring us to send copies of all of our SDSESP agreements for their review.

We entered into a partnership with the Department of Social Services (DSS) to deliver a summer employment program for Temporary Assistance for Needy Families (TANF) and other DSS-eligible youth. This is similar to last year's WIA stimulus summer program. DOL is coordinating the recruitment of candidates with DSS staff, developing worksites in the private sector and conducting follow-up activities to ensure the youth and young adults have a successful employment experience. For many this will be their first job.

We finalized NCRC agreements with our service providers. This will be our last year of full subsidy to the providers. We do see this program as a valuable workforce development program with significant benefit to individuals and the business community. DOL will continue to provide support for the licensing of the NCRC through ACT, and provide oversight and direction for the program. The goal is to assist the providers to become more self-sufficient as fee-for-service providers. DOL programs will pay providers on an individual basis for our referrals to the NCRC. A negotiated rate will cover the cost of the assessment and for any skills development that may be necessary. DOL will also help to promote the NCRC throughout the state with the business community.

Our NCRC team is in discussions with the technical institutes on using the NCRC as a pre- and post-assessment for general education students. The schools are looking for a tool that will help to document progress. This could be a huge step for expanding our NCRC program and helping our providers along the way. We have Steve Anderson from ACT with us today.

Steve is in South Dakota to work with our NCRC staff to improve on our services. South Dakota is one of 40 states implementing the NCRC program. It is the right tool for employers and individuals. It demonstrates to employers that employees have the core skills necessary for the job. More than 1,000 participants were enrolled in the program during the first year.

The NCRC has been integrated with the energy grant.

The Department of Education and the technical institutions are excited about the students from the technical institutes taking the NCRC tests. They would like to crosswalk the test with a test they are already taking as sophomores.

Tom Bohnet asked whether the NCRC could provide additional instruction on skills to improve resume writing and interviewing as well as “soft skills” in the workplace. These include conflict resolution, communications, ethics and others. Many employers are seeing applicants needing improvement in this area.

The NCRC program has some of these components available. DOL will talk to employers to determine what skills need to be addressed.

DOL arranged for more than 120 English as a Second Language (ESL) students from around the state to join in the recent Capitol Centennial Celebration. One of the requirements of our program is for the students to learn basic civics lessons so they can become better citizens. The day-long event included tours of the capitol and grounds and the Culture Heritage Center. The group attended the re-dedication ceremony and was recognized by the Governor in his address. The ESL students were excited to hear Governor Rounds welcome them as a group to Pierre and this occasion. Comments from the attendees were very positive and heartwarming. Some are refugees from politically unstable or war-torn areas and are beginning to understand our way of life in the USA and South Dakota is a privilege.

AGENDA ITEM D NEW BUSINESS

AGENDA ITEM D1 INTRODUCTION OF NEW STAFF

Bill Molseed introduced two new staff with the AEL program, Barb Unruh and John Anderson. Barb comes to DOL with 20 years of teaching experience in the Onida school system. John comes to DOL with experience in teaching ESL students in Eastern Europe.

AGENDA ITEM D2 ELECTION OF OFFICERS

Pat Lund made a motion to nominate Warren Lotsberg as the WDC chairman. Helen Wegner seconded the motion. **Motion passed.**

Helen Wegner made a motion to nominate Pat Lund as the WDC vice-chairwoman. Grady Kickul seconded the motion. **Motion passed.**

AGENDA ITEM D3 DAKOTA SEEDS

Ann Gesick-Johnson, Department of Tourism and State Development, provided information on nine businesses applying for funding through Dakota Seeds for internships and assistantships. She requested approval for Dakota Seeds to provide funding to these businesses.

Alces Technology in Rapid City does research and development in the area of optical micro-electro-mechanical systems. They are looking for an intern to do research experiments and to perform literature and patent searches. Dakota Seeds recommended funding an internship at \$2,000.

Trail King in Mitchell manufactures trailers. They would like two engineering students to work on production processes to increase their efficiencies. Dakota Seeds recommended funding two internships at a total of \$4,000.

Wildcat Manufacturing in Freeman produces screening and processing equipment. They are looking for a student to work in their design department to create parts for mobile equipment. Dakota Seeds recommended funding an internship at \$2,000.

HF Webster in Rapid City specializes in aluminum manufacturing and engineering services. The engineering student will be investigating and developing the refill friction spot welding process. Dakota Seeds recommended funding an internship at \$2,000.

SymCom in Rapid City works with electronic controls and protection for pumps. The electronic engineering student will work on the design of new electronics and software. Dakota Seeds recommends funding an internship at \$2,000.

Sioux Corporation in Beresford manufactures industrial pressure washers. The two engineering students will be improving designs and shop efficiency. Dakota Seeds recommended approving two internships at \$4,000.

PLE, Inc. in Beresford is a manufacturer of portable lift devices and is looking to branch into other areas. They would like one graduate student to do research and development of an electric vehicle for industrial and military applications. They would also like an undergraduate student to work on the design of surveillance and offensive weapons systems. Dakota Seeds recommended funding an assistantship and an internship for a total of \$10,000.

Valley Queen Cheese Factory in Milbank is a cheese producer. They have asked for assistance for a student to work in the IT department who will test the functionalities of new software. A second intern would work in their

maintenance department doing preventive maintenance. Dakota Seeds recommends approving the IT internship at \$2,000 and denying the maintenance internship due to lack of STEM relationship.

Lowe Construction in Sioux Falls is a home construction company. They are interested in two students to do calculations for supplies and some design work. The students would be from South Dakota State University's construction management program. Dakota Seeds recommended funding two internships at a total of \$4,000.

Shelley Stingley made a motion to approve the recommendations. Wally Myers seconded the motion. **Motion passed.**

AGENDA ITEM D4 BOARD OF REGENTS WORKFORCE UPDATE

Paul Gough, Board of Regents (BOR), provided an update on BOR workforce activities. The *Board of Regents Workforce Update* was included in the materials mailed to the Council prior to the meeting.

Page 1 of the *Update* provides an excerpt from Dr. Warner's July 12 *Rapid City Journal* column. Dr. Warner (BOR Executive Director and CEO) was responding to a comment made by one of the candidates that university graduates were not in the state. Dr. Warner provided information from the universities to show that graduates are more likely to remain in South Dakota than to leave.

The complete column is on pages 5 and 6. Page 6 also provides a table from the *DOL Labor Bulletin* (2003) with information from the Follow-up Project about FY01 university graduates that was used in the column.

Page 2 provides information on FY09 bachelor's graduates who were pursuing graduate and professional degrees in the public universities in fall 2009. One of Governor Rounds' messages during the Jump Starting Meeting was to encourage graduates to continue their education.

The information is limited to FY09 graduates enrolled in the public universities and does not include graduates pursuing degrees out-of-state. Programs offered out-of-state such as dentistry, veterinary medicine and optometry prepare people for careers needed in South Dakota.

Page 2 provides a few examples of the careers the FY09 bachelor's graduates are pursuing with further education. For example, Black Hills State University (BHSU) had:

- a bachelor's graduate in medical school
- a graduate in the MD & PhD Physician Scientist program (program was in the Governor's recommended FY06 budget and funded by the Legislature)
- a graduate in the Physical Therapy program
- two graduates in the Occupational Therapy program
- a graduate in the Physician Assistant Studies program

If you look at bachelor's graduates immediately after graduation, they might not show up as working because they are pursuing careers that require a graduate degree. This includes healthcare careers needed in South Dakota.

Page 3 of the *Update* provides information about School of Mines & Technology (SDSM&T) summer 2010 internships provided by Darrell Sawyer, the career center director.

The average hourly wage of SDSM&T students with internships this summer is \$16.71 (\$12.76 in South Dakota). Some employers provide housing stipends and relocation expenses. South Dakota internship employers are listed with the city. Summer 2010 internship employers include businesses, federal, state and local government agencies.

Paul summarized information that was provided from the University of South Dakota (USD) and South Dakota State University (SDSU) after the materials were mailed.

USD provided examples of 2010 summer internships of political science and accounting students.

- Political science students are interning with Senator Johnson, Senator Thune, Senator Grassley, Representative Steven King, the Iraqi Mission to the United Nations, the South Dakota Department of Transportation, the South Dakota Department of Corrections, the National Women's Political Caucus and the Minnehaha County Republicans.
- Accounting students are interning with First Premier Bank, South Dakota Department of Game, Fish and Parks, Marquette Financial, Merchants Bonding Company and Schoenfish & Co. CPAs.

SDSU students have internships this summer with a variety of employers:

- Placements were made with South Dakota Rehabilitation Services, the Department of Tourism and the Department of Transportation
- Placements were made with several businesses including Daktronics, Trail King and Falcon Plastics.
- Two Apparel Merchandising students are in Mumbai, India at MarketPlace, a not-for-profit organization that assists women in developing skills to develop textile products and sell them to catalogs.

- Other Apparel Merchandising students are at Guess corporate offices in Los Angeles and a bridal designer and manufacturer in New York City.
- A Manufacturing Engineering Technology student is in Egypt with a division of Toyota.

Page 4 of the *Update* provides information on the new degree programs and delivery sites that were approved at the Board of Regents' May and June meetings.

The new University of South Dakota B.S. in Nursing is designed for registered nurses with an associate's degree. The existing USD associate degree program will continue to prepare new registered nurses on campus and in Sioux Falls, Watertown, Pierre and Rapid City.

Paul handed out a South Dakota State University press release that he had recently sent to some state agencies. The release notes that three SDSU May graduates received commissions as Air Force second lieutenants and that six SDSU graduates and one Augustana graduate received commissions as Army second lieutenants. The press release provides the first assignments for the new officers.

Paul noted that this is another reason why university graduates might be out of the state immediately after graduation. Graduates who receive a commission through the ROTC program are assigned to training and work locations by the Army or Air Force. These graduates may return to South Dakota after their military service.

Paul pointed out that the new officers had a variety of majors.

- An Air Force officer with a Political Science major is assigned to air battle management training.
- An Army officer with an Early Childhood Education major will attend a transportation corps basic officer leader's course.
- An Army officer with a History major will attend a basic officer leader's course.
- An Army officer with an Economics major will attend a military intelligence basic officer leader's course.

AGENDA ITEM D5 STATE WORKFORCE AGENCY GRANT

Melodee Lane, DOL Labor Market Information Center, provided information on the opportunity to apply for the State Workforce Agencies (SWA) grant to develop the Workforce Data Quality Initiative (WDQI). A handout was mailed to the Council prior to the meeting. The handout is also available at www.sdjobs.org as a link on the July 8, 2010 agenda. South Dakota, Wyoming and Nebraska, as a consortium, are planning to apply for this grant.

The maximum funding potential for the consortium for this project is \$3 million and the grant will cover a three-year period.

The purpose of the program is to develop or improve the state workforce longitudinal data systems. This will allow individual level records to be matched to one another across programs and over time. It will essentially allow us to match workforce data with educational data and ultimately create a longitudinal system so data would be available on an individual's progression through the educational system and on into the workforce system from pre-kindergarten through post-secondary and on into the workforce while protecting the individuals privacy. Currently, South Dakota does not have anything like this in place so it will be a valuable tool for our state. The LMI directors will be meeting during the week on July 12, 2010, to start drafting the grant proposal. The grant proposal is due on August 9, 2010.

AGENDA ITEM E ADJOURNMENT

The date of the next meeting is scheduled for October 14, 2010. It will be held by Dakota Digital Network.

Pat Lund made a motion to adjourn the meeting at 11:11 a.m. Wally Myers seconded the motion. **Motion passed.**