

SD WORKFORCE DEVELOPMENT COUNCIL
Regular Quarterly Meeting
April 15, 2013
10:00 a.m. CT
Conference Call
Toll-free dial-in number: (866) 410-8397
Conference code: 4674229512

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|-----------------------------|--------------------|---------------|
| A. Call to Order | Warren Lotsberg | |
| B. Roll Call | Kari Porch | |
| C. Approval of Minutes | Warren Lotsberg | |
| D. Director's Report | Bill Molseed | |
| E. New Business | | |
| 1. Dakota Seeds Internships | Ann Gesick-Johnson | Action |
| F. Adjournment | | |

AGENDA ITEM A CALL TO ORDER

The South Dakota Workforce Development Council (WDC) met by conference call on April 15, 2013. The meeting was called to order by Chairman Warren Lotsberg at 10:00 a.m. CT.

AGENDA ITEM B ROLL CALL

Roll call was conducted and a quorum was present.

Members Present

Warren Lotsberg, Chairman	Sarah Folsland	Marcia Hultman
Tom Bohnet, Vice-Chairman	Melody Schopp	Paul Gough
D.J. Mertens	Cal Geis	Randy Hanson
Ann Gesick-Johnson	Gaye Mattke	David Westbrook
David Giovannini		

Members Absent

Wally Myers	Shelley Stingley
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Others Present

Bill Molseed	Kari Porch	Marcia Hultman
John Anderson		

AGENDA ITEM C APPROVAL OF MINUTES

David Giovannini made a motion to approve the January 3, 2013, minutes. David Westbrook seconded the motion. **Motion passed.**

AGENDA ITEM D DIRECTOR'S REPORT

The President recently submitted his budget to Congress. It includes slight increases to the Workforce Investment Act (WIA) Adult and Youth programs. The Dislocated Worker program also has a small increase, but is proposed to be consolidated with the Trade Act program. This plan would create a larger program called the Universal Displaced Worker Program (UWD). It appears this program would be more like the Trade Adjustment Assistance Act (TAA) and includes health care benefits and support payments for participants while they are in training. The proposal would also continue the Innovation Funds. This fund uses resources previously given to states, which was known as the 15 percent State set-aside funds. This reduced the funds available to states from 15 percent to 5 percent (a 2/3 cut). The Innovation Fund will distribute the resources on a competitive bid for specific projects. The President's proposal increases Innovation grants from 5 percent to 7.5 percent, still below the 15 percent states had previously.

The House passed a bill called the Skills Act (Supporting Knowledge and Investing in Lifelong Skills), which would reauthorize WIA. This bill would consolidate 35 federal workforce programs into one Workforce Investment Fund. Many of these are already consolidated within our agency, DLR (WIA Adult, Youth, Dislocated Worker, Wegner Peyser, Unemployment Insurance, TAA, SNAP, TANF, Veterans, Older Workers, etc.) This proposal would restore the 15 percent set-aside funds for states. It also calls for streamlining of the delivery structure and will give the Governor and the state boards more authority as to how this program will work in their states.

The Senate is close to having their bill ready for a vote. These three efforts are likely to receive opposition from the start. We will have to wait to see what we have to work with in the future months and years.

A continuing resolution (CR) to fund the government through the end of fiscal year 2013 was enacted. This means programs, including Labor programs, can operate at existing levels. This resolution authorizes funding for the current year of services, which began last July.

Sequestration will have an adverse impact on our programs. Two weeks ago we received notice from USDOL with guidance on how to plan for sequestration. DOL provided us with “hypothetical estimates’ for a starting point. We will see a 5 percent reduction in W-P, AEL, WIA adult and youth programs. The dislocated worker program will see a larger reduction of 20 percent due to the combination of sequester budget cuts and the funding formula. The formula gives consideration to the number of dislocated workers and the unemployment rate. With our economy much stronger than the rest of the country, we will likely have fewer dislocated workers. This is good news. However, the problem this creates is we have been able to move funding between the adult and dislocated worker program based on the local need. This reduction lessens our capacity to continue to serve those in need of DLR services.

The President announced the nomination of Thomas E. Perez to be the next Secretary of Labor. Perez currently serves as the assistant attorney general for the Justice Department’s Civil Rights Division. He previously served as the Secretary of Department of Labor, Licensing and Regulation, in Maryland which enforces workplace safety laws, wage and hour laws, and a range of consumer rights laws. The nomination is subject to Senate confirmation.

USDOL conducted a review of the W-P and WIA programs with consideration to our policies, process, and client services. The review team was very impressed with the level of case management and the services we provide to employers, job seekers, and program participants. The review team commented on how amazed they were with the seamless delivery of service.

The team began a review of the local offices by conducting a “secret shopper” call to the Pierre and Rapid City offices. They posed questions to the staff under assumed identities and backgrounds. The team was very pleased with the reception they received and commented on the knowledge and professionalism of the local staff. At our next meeting, we will provide the council with a more detailed report as we complete the process with the regional office review team.

We are now required to give customer satisfaction surveys of participants and employers. We had been exempt from this step for a number of years after we were approved for use of Common Measures. We are now required to collect data on customer satisfaction and to report in the annual report. The DLR team has been working to accommodate this process, which will include telephone surveys of participants and employers.

Thanks to the work of our DLR local office staff, I am glad to report we have met all of the WIA performance goals for Adult, Dislocated Worker, and Youth through the most recent reporting period. We met all nine performance measures and exceeded six of the nine measures.

Although this is a good report, we continue to work with the local offices to ensure accurate data entry and regular follow up services are provided. The more contact we have with our participants, the greater we improve the likelihood of staying on track to meet or exceed the performance measures. We have a good start for our WIA performance but we want to ensure we maintain this level of quality performance as we move into the final quarter of the program year.

Today’s meeting will be addressing a single action item. Now that DOL is moving on finalizing the budget numbers we will soon have something more than “hypothetical estimates,” and can develop a realistic plan for the coming program year. When that happens, we will have a meeting for the council to take action on our funding proposals.

AGENDA ITEM E NEW BUSINESS

AGENDA ITEM E1 DAKOTA SEEDS

Ann Gesick-Johnson, Department of Tourism and State Development, provided information on 14 businesses applying for funding through Dakota Seeds. The 14 businesses are asking for funding for 28 undergraduate internships for a total \$56,000. She requested approval for Dakota Seeds to provide funding for the following businesses.

Vishay Dale in Yankton manufactures electronic parts for a variety of electronic components. Two engineering interns will be asked to work on

projects that will improve the plant's efficiency. Dakota Seeds recommends approving the two interns for a total of \$4,000.

Nouvo Design, LLC in Sioux Falls designs and develops apps, websites, and interactive technologies. Two interns would work on web and app development. Dakota Seeds recommends funding the two interns for a total of \$4,000.

Building Media Group in Madison specializes in different online marketing channels. Two interns will do .net software development. Dakota Seeds recommends funding the two interns for a total of \$4,000.

Schunerman Equipment Company in Milbank is a John Deere dealership in northeast South Dakota. The intern would sell precision farming products. Dakota Seeds recommends denying the intern due to lack of STEM requirement.

Dakota Tube in Watertown is a manufacturer of hydraulic and mechanical tube assemblies. Two engineering interns would work on plant layout and production efficiencies. A third intern would work on robotics programming. Dakota Seeds recommends funding the three interns for a total of \$6,000.

Raritan in Yankton is a data center. One intern will be responsible for the development of a mobile application. Dakota Seeds recommends funding the intern at \$2,000.

Kolberg Pioneer in Yankton manufactures equipment for the aggregate, construction, paving, and recycling industries. One intern will work on product design. A second intern will be working in the sales department. Dakota Seeds recommends funding one intern at \$2,000 and denying the sales intern due to lack of STEM requirement.

Riverside Technologies in North Sioux City sells computers and programs. Two interns will work on-site to deploy computer systems, two interns will work in the warehouse and one intern will work on web development. Dakota Seeds recommends funding three interns for a total of \$6,000 and denying the warehouse positions due to lack of STEM requirements.

SGS in Brookings is a seed testing laboratory. Five interns will perform various tests in the lab. Dakota Seeds recommends funding four interns for a total of \$8,000. The fifth position was looking for high school graduate.

Applied Engineering in Yankton is an aerospace contract machining company. One engineering intern will design and document new or

existing tooling. A second intern will work on IT networks. Dakota Seeds recommends funding the two interns for a total of \$4,000.

Tallgrass Wealth Management in Sioux Falls is a financial planner. Two interns will provide analytic work on investments. Dakota Seeds recommends funding the two interns for a total of \$4,000.

Hermanson Egge Engineering in Rapid City is a civil engineering firm. The intern will work on the structural engineering design of buildings. Dakota Seeds recommends funding the intern at \$2,000.

Antimicrobial Materials Inc. in Sioux Falls is a research firm that develops antimicrobial materials. The intern will work in the lab to support the research. Dakota Seeds recommends funding the intern at \$2,000.

Sparton in Watertown designs, develops, and manufactures complex electronics and electromechanical devices. Two interns will be working in the engineering department and two interns will be working in the IT department. Dakota Seeds recommends approving four interns for a total of \$8,000.

David Giovannani asked if we should be doing something to get the word out about the internships. Ann stated this would not be a bad idea. The Governor's Office of Economic Development (GOED) is doing some advertising and the Department of Labor and Regulation local office staff are informing individuals of the internships.

Paul Gough asked what wages were being paid to the interns. Ann stated that the businesses were required to have a 50 percent match with Dakota Seeds. The minimum wage allowed to be paid interns is \$9.00 per hour with Dakota Seeds paying the business a maximum of \$2,000 per intern.

Ann stated the average wage paid to the interns was approximately \$12.00 per hour. She stated she would provide more accurate numbers at the next meeting.

Cal Geis made a motion to approve the recommendations made by Dakota Seeds. Paul Gough seconded the motion. **Motion passed.**

AGENDA ITEM F ADJOURNMENT

Paul Gough made a motion to adjourn the meeting at 10:28 a.m. D. J. Mertens seconded the motion. **Motion passed.**