

**SD WORKFORCE DEVELOPMENT COUNCIL**  
**Regular Quarterly Meeting**  
**July 18, 2011**  
**1:30 – 2:30 p.m.**  
**Via Dakota Digital Network**

**Pierre Kneip Building Conference Room # 3 located at 700 Governors Drive**  
**Huron DHS (same Bldg as DLR) located at 2361 Dakota Avenue S**  
**Sioux Falls DHS (same Bldg as DLR) located at 811 E 10<sup>th</sup> Street**  
**Aberdeen DLR located at 420 S Roosevelt Street**  
**Rapid City DHS (same Bldg as DLR) located at 111 New York Street**  
**Belle Fourche DOT, Hwy 34 West**  
**Yankton DHS (same Bldg as DLR) located at 3113 Spruce Street**  
**Brookings DHS (same Bldg as DLR) located at 1310 Main Avenue South**

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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. Election of Officers                 | Warren Lotsberg    | <b>Action</b> |
| 2. AEL Agreements                       | Bill Molseed       | <b>Action</b> |
| 3. Dakota Seeds                         | Ann Gesick-Johnson | <b>Action</b> |
| 4. DRS and SBVI Annual Plan Submissions | Grady Kickul       |               |
| F. Adjournment                          |                    |               |

Agenda Item E5, Board of Regents Update, was added prior to adjourning the meeting.

**AGENDA ITEM A      CALL TO ORDER**

The South Dakota Workforce Development Council (WDC) met by Dakota Digital Network (DDN) on July 18, 2011. The meeting was called to order by Chairman Warren Lotsberg at 1:30 p.m. CDT.

**AGENDA ITEM B                      ROLL CALL**

Roll call was conducted and a quorum was present.

Members Present

Warren Lotsberg, Chairman	Roland Benson	Paul Gough
Pat Lund, Vice-Chairwoman	Wally Myers	Pam Roberts
Helen Wegner	Sarah Folsland	Randy Hanson
Ann Gesick-Johnson	Mark Wilson	Grady Kickul
Cal Geis	D. J. Mertens	

Members Absent

Tom Bohnet	Shelley Stingley
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Others Present

Bill Molseed	Kari Porch	Robin Wallum
Larry Porterfield	Gloria Pluimer	Steve Almeida
Gary Gregerson	Dustin Larsen	Todd Kolden
Robert Kean	Lisa Johnson	

**AGENDA ITEM C                      APPROVAL OF MINUTES**

Wally Myers made a motion to approve the April 28, 2011, minutes. Pat Lund seconded the motion. **Motion passed.**

**AGENDA ITEM D                      DIRECTOR’S REPORT**

Our spring meeting in April typically is when we give final authorization on funding issues. At the time of the meeting we still did not have the notice of award from the federal government to know what resources we would have available to allocate to our local offices or to our providers. Action was delayed until such time as we had the final figures and recommendations.

We finally received the official notice of funding for Workforce Investment Act (WIA) Title I (Adult, Dislocated and Youth) programs and for WIA Title II (Adult and Education Literacy) programs.

The Adult and Youth programs received cuts of 10.52 percent and 10.62 percent respectively. With prior year carryover funds that were available due to use of American Recovery and Reinvestment Act of 2009 (ARRA) funds,

we were able to come close to level funding. The Dislocated Worker program reduction was greater and set at 15.94 percent. This program did not have as much carryover which resulted in significant reduction in funds for dislocated workers. However, we believe the adverse impact on our Dislocated Worker budget will be minimal. The good news is the economy is growing and if we experience worker dislocations of size we can request additional funds.

The WIA Title I program also received a very significant 66 percent cut in the statewide set-aside funds. These funds are being diverted to Innovation projects open to competition. The Statewide Set-aside is a pool of funds used to support Rapid Response activities for worker layoffs, state administration, operating the fiscal and management accountability system (MIS/performance), and funds specific projects assisting high-growth occupations or industries (examples: Dakota Corps Scholarships, Career Camps for students, training programs such as dental assisting at Lake Area Technical Institute (LATI) and local economic development for specific training efforts). Fortunately, this resource also had some carryover funds that will make it easier to handle. With a 66 percent reduction the amount we have for carryover isn't sufficient for us to fund all of the projects we would like. So, we will need to be selective in how these funds are used. The impact will be lessened for now, but will catch up to us next year.

The Adult Education Program received a slight increase in funding, a very pleasant surprise. We were quite relieved since we were prepared for a reduction. The funding increase will be put to use to fill the gap in funding by a decrease in state funds, which were reduced by 10 percent. Essentially we will have level funding for the AEL programs.

We received notice of approval by USDOL of a one-year extension to the WIA Wagner-Peyser State Plan and all but one performance measure. We had requested renegotiation of the WIA Youth Literacy Numeracy Gain and submitted a proposed level which was accepted. We also recently received notice of approval of the Adult Education and Literacy State Plan and the core indicators of performance. Department of Labor and Regulation (DLR) Employment and Training programs are set for another year.

WIA Reauthorization is beginning to have some movement in Congress. The Senate had issued a bi-partisan draft bill that is likely to begin the official process as early as this next Wednesday. This doesn't mean anything is likely to happen quickly. Congress is using most of their time for other deliberations such as the debt limit talks. South Dakota and other states submitted comments on the proposed language. We assume some of the comments will change some of the text of the bill

Key items in the initial Senate version include:

- Restructures state boards, reduces business representation

- Does retain grandfathered boards and single area state designation
- Direct qualifications of board directors
- Changes WIA Title I performance measures (include recognized post-secondary credentials and effectiveness in serving employers)
- Reinstates funding for Statewide Set-aside funds
- Emphasizes WIA Youth program for out-of-school youth
- Emphasizes AEL transition to post-secondary education and employment
- AEL subject to same performance as Title I

Once the Senate agrees on appropriate text of the WIA Reauthorization bill, the House will weigh in with their version. If anything does happen on WIA Reauthorization it won't be until late fall, at the earliest. We have been waiting since 2003, but we are much closer now. The lesson we have learned is to not be over-anxious; it will not make Congress move any faster.

## **AGENDA ITEM E      NEW BUSINESS**

### **AGENDA ITEM E1      ELECTION OF OFFICERS**

The floor was opened for nominations for election of officers. Cal Geis made a motion to retain the existing slate of officers, Warren Lotsberg, Chairman and Pat Lund, Vice Chairwoman. Grady Kickul seconded the motion. **Motion passed.**

### **AGENDA ITEM E2      AEL BUDGET**

The Department of Labor and Regulation (DLR) recommended funding Adult Education and Family Literacy (AEL) programs at PY2010 levels.

Helen Wegner made a motion to approve the recommendations made by DLR. Pat Lund seconded the motion. **Motion passed.**

### **AGENDA ITEM E3      DAKOTA SEEDS**

Ann Gesick-Johnson, Department of Tourism and State Development, provided information on 13 businesses applying for funding through Dakota Seeds. The businesses will provide 28 internships and assistantships totally \$96,000. She requested approval for Dakota Seeds to provide funding to these businesses.

Dakota Power in Rapid City conducts research and development on new technology to produce light-weight electric drives and power systems. They are looking for two interns, four graduate assistants and one PhD graduate assistant to conduct research. Dakota Seeds recommends

funding two intern, four graduate assistants and one PhD graduate assistant for a total of \$46,000.

Kisado Fitness in North Sioux City is developing a new exercise program that will be delivered through the Internet. They are seeking an IT student to help develop the new software to deliver the product. Dakota Seeds recommends funding an intern for \$2,000.

Rservng.com in Madison provides online training for servers at restaurants and bars. They are seeking four interns. Two interns will conduct system tests on the software used in the training. The other interns will be working to conduct marketing. Dakota Seeds recommends funding the two test interns and denying the marketing interns for a total of \$4,000.

G3 Fire Plastics Fabrication in Hartford fabricates polypropylene tanks for the fire service. They are looking for a CAD drafter to do design work for the company. Dakota Seeds recommends funding an intern for \$2,000.

PLE in Beresford does design and engineering work. They have requested a graduate student who will do design work for the defense industry. They are also requesting an intern who will be working on programmable logic control interfaces. Dakota Seeds recommends funding an intern and a graduate assistant for a total of \$12,000.

Interbake Foods in North Sioux City is a baked goods manufacturer. They are seeking an engineering intern to help launch their Corporate Sustainability Program. Dakota Seeds recommends funding an intern for \$2,000.

Black Hills Corporation in Rapid City is an energy company. They are requesting four interns. One will work with the business process improvement department to identify efficiencies. A second will work with the web application team to implement a social media pilot. The third will work in the IT department including the help desk. The fourth will be an engineer who will help analyze data on electric cars. Dakota Seeds recommends funding four interns for a total of \$8,000.

NetCare Administrators in Brookings provides administrative services to health care entities. They are requesting two interns who will work on developing software for electronic health records for chiropractors. They are also seeking one graduate assistant to work on the development of a wellness program. Dakota Seeds recommends funding two interns and denying the graduate assistant due to health connection for a total of \$4,000.

Amerikit Technology in North Sioux City provides technology service to Dell as a sub-contractor. The three interns will be working on custom software imaging and PC configuration and repair. Dakota Seeds recommends funding three interns for a total of \$6,000.

Santel Communications is a communication company that offers Internet, phone and television. They are interested in an intern who will work on installation, troubleshooting and network maintenance of their fiber optic lines. Dakota Seeds recommends funding an intern for \$2,000.

Sioux Corporation in Beresford manufactures industrial pressure washers. They are looking for an engineering intern who will work on product development. Dakota Seeds recommends funding an intern at \$2,000.

Peppermint Energy in Sioux Falls is a renewable energy products retailer who is working with the PANS EPSCoR researchers on solar energy technology. The interns will be working to market this new technology. Because of the relationship with the PANS researcher, it will meet the STEM criteria. Dakota Seeds recommends funding two interns for a total of \$4,000.

UltiMed in DeSmet manufactures syringes and pen needles. They are looking for an engineer to work on product design and quality. Dakota Seeds recommends funding an intern for \$2,000.

Wally Myers made a motion to approve the recommendations made by Dakota Seeds. Roland Benson seconded the motion. **Motion passed.**

#### **AGENDA ITEM E4      DRS AND SBVI ANNUAL PLAN SUBMISSIONS**

Grady Kickul, Division of Rehabilitation Services, provided information of the required annual State Plan submissions for the Division of Rehabilitation Services and Services to the Blind and Visually Impaired. The Division of Rehabilitation Services and Services to the Blind and Visually Impaired are Title IV of the Workforce Investment Act and are WIA partners. Federal legislation requires annual updates to the State Plan to be approved. The most recently approved plan was in fiscal year 2008. Attachments to the State Plan have been approved and submitted and will go into effect on October 1, 2011. A major undertaking for the past year was a statewide needs assessment. A copy of the attachments can be obtained by contacting Kari Porch at the Department of Labor and Regulation or by visiting the Department of Human Services website.

## **AGENDA ITEM E5 BOARD OF REGENTS UPDATE**

Paul Gough, Board of Regents, provided information from the South Dakota School of Mines & Technology (SDSM&T). The SDSM&T reported 307 students had found an internship, cooperative education experience or undergraduate research position this summer. There are SDSM&T students working for 127 employers in 34 states and Canadian provinces. That includes 44 employers in 24 South Dakota Communities. The average wage recorded by the SDSM&T students this summer was \$16.58. Some employers also provided housing stipends and relocation expenses.

## **AGENDA ITEM F ADJOURNMENT**

The date of the next meeting will be scheduled for October and will be held in Pierre in Kneip Conference Room # 3.

Roland Benson made a motion to adjourn the meeting at 2:00 p.m. Grady Kickul seconded the motion. **Motion passed.**