

Minneapolis Workforce Council
September 18, 2012

Meeting Minutes

Present: Carolyn Roby, Laura Beeth, Sharon Bredeson, Elizabeth Campbell, Darla Figoli, Anthony Goze, Todd Klingel, Ken Lundquist, John Mbali, Daniel McConnell, Tyler Olson, Carlyle Peterson, Reuven Rahamim, Jim Roth, Terrell Towers, Craig Vana, Linda Vang

Staff: Deb Bahr-Helgen, Felisha Burns, Mark Brinda, Catherine Christian, Doug Suker, Anne Fischer, Tammy Dickinson, Marie Larson, Teresa Harrold

Guests: Jeremy Hanson, City of Minneapolis, Cathy Polasky, City of Minneapolis, Karen Francois, City of Minneapolis

Excused: Doug Flateau

Unexcused: Chad Telford

****Carolyn Roby called the meeting to order at 8:00 a.m.**

Welcome and Chair's Report

Carolyn Roby welcomed the Minneapolis Workforce Council members (MWC) and guests. Carolyn informed the MWC that five new members have joined the council: Reuven Rahamim, Anthony Goze, John Mbali, Linda Vang, and Jim Roth. Carolyn also informed the MWC that Laura Beeth is the alternative for MWC member Charles McIntosh. Carolyn thanked Craig Vana, Minneapolis Workforce Council member and the Minneapolis Public Schools for hosting the MWC meeting.

Jeremy Hanson, Director of Community Planning Economic Development (CPED) informed the MWC that earlier this summer he was appointed by Mayor Rybak as Director of Community Planning Economic Development. Jeremy informed the MWC that prior to his appointment to CPED he worked in the Mayor's office for the last seven years. This experience in the Mayor's office gave him the opportunity to work with the City of Minneapolis on an enterprise level. In closing, on behalf of CPED and the City of Minneapolis, Jeremy thanked MWC members for their contributions on the MWC Board.

Introductions

Introductions were made by all MWC members, METP staff, and guests.

Approval of Minutes

The May 15, 2012 minutes of the Minneapolis Workforce Council Meeting were moved and approved.

Committee Reports

Adult Committee: Doug Suker submitted the Adult Committee report stating members of the Adult committee and METP staff had completed service provider site visits. The purpose of the visits was to gather information on the structure and operations of the partners. The Adult Committee has scheduled a meeting for all providers and METP staff in late October to discuss their findings, share best practices, and to possibly recommend changes affecting Adult Program policies and the delivery of services.

Contracts have been awarded to the same ten providers who provided job placement and retention services in program year 2011. A total of \$1.5 million has been contracted: The amount of the contract is based on the partner's performance in program year 2011; the average award is \$109,000.

The Adult partners were monitored recently by METP staff to ensure the content of a client's file is in accordance with our expectations. No major problems were found. Monitoring visits are made yearly to all partners. All of the Adult partners are performing well and none are on corrective action at this time.

The Individual Referral Program (IRP), which is operated by METP staff, has enrolled 18 new clients for fall semester. IRP provides tuition assistance and case management services to clients who have undergone a thorough assessment and interviewing process. There are now 58 students enrolled in IRP receiving tuition assistance and

another 8 who have completed training and are seeking employment. At this time, the bulk of the students are enrolled in health care related programs with a large number of future Registered Nurses.

METP recognizes an *Employment Services Provider of the Year* for the Adult Program based on an agency’s success in placing and retaining City residents into employment. The program year 2011 *provider of the year* award will be presented to SEARCH at a meeting of the City Council on October 9, 2012.

RENEW Minneapolis: RENEW Minneapolis is now in its sixth month of operation; to date, 125 participants have enrolled in services through seven community- based service providers. Training areas include manufacturing, non-entry level construction skills, the management and operation of building systems, transportation and related services, and renewable energy. RENEW Minneapolis – Green Homes North also began services to participants. Through Minnesota’s State Energy Sector Partnership, 35 participants will receive training, industry-recognized credentials, and paid internship experiences. Service providers for this project include RESOURCE (Employment Action Center), EMERGE Community Development, and Goodwill Easter Seals of MN.

Dislocated Worker Committee: Jim Roth submitted the Dislocated Worker Report.

Performance Measures:

DEED has negotiated with the U.S. Department of Labor Workforce Investment Act’s Title IB Dislocated Worker program performance standards for Program Year 2012. By state policy, these will also automatically translate into the standards for State Dislocated Worker program performance.

The standards are higher than they’ve been in the past. The Department of Labor was adamant that Minnesota’s past performance, as analyzed through regression models and just about every other data-based angle, far outstripped the goals we’ve had for years. The negotiating team’s counterarguments – that we are recovering from a historic recession and the job vacancy numbers are still very soft, that many of the job seekers we currently work with are going to be among the hardest to employ now, that we risk giving local providers an incentive to “cream” with every tick up in the entered employment and wage categories, and a few other bits of ammo – did help us avoid an even more dramatic increase to the actual regression numbers (for example, that data suggested Minnesota could handle a Dislocated Worker Entered Employment goal of 88 or 89 percent, and average earnings of over \$21,000). Here are the standards:

Performance Standards	PY2008	PY2009	PY2010	PY2011	PY2012
DW Entered Employment	86%	83%	83%	83%	86.0%
DW Retention	90%	88%	88%	88%	90.0%
DW Credential	62%	62%	62%	62%	69.0%
DW Average Earnings	\$19,324	\$18,509	\$18,509	\$18,509	\$20,000 (State goal – local area goals TBD)

Unemployment Insurance Changes in 2012:

At the height of the recent recession, Congress created two programs allowing up to 99 weeks of unemployment benefits backed by the federal government. The two federal programs that have been providing additional unemployment benefits to Minnesotans beyond the standard (state) UI are:

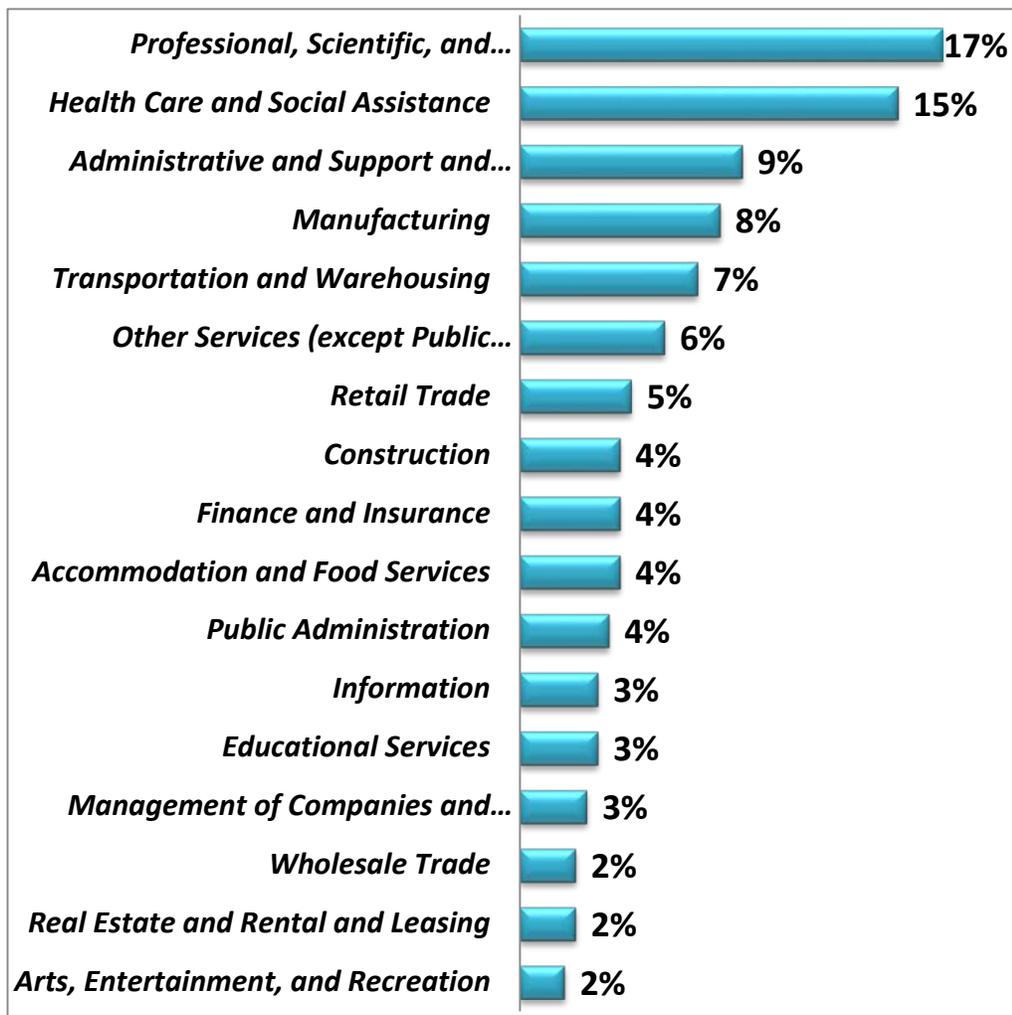
1. Federal Emergency Unemployment Compensation (EUC)
2. Federal-State Extended Benefits (EB)

Some major changes have been taking place to the extended benefit programs during 2012 that will continue through the end of this year:

- EB has ended;
- EUC phase-out began in April 2012;
- First, EUC Tier 3, then EUC Tier 2 phased out;
- On September 2, 2012, applicants who began to receive EUC Tier 1 are eligible for up to 14 weeks rather than up to 20 weeks of benefits; and
- The EUC program will end entirely at the end of December 2012.

No EUC benefits from any tier will be available after the week ending December 29, 2012 so the maximum unemployment benefit will revert to the standard 26 weeks.

Dislocated Worker Program – Placements by Industry – Program Year 2011 (7/1/11 - 6/30/12):



Youth Committee: Craig Vana submitted the Youth Committee Report

All Minneapolis Youth Work Ready

2012 Highlights

Applicants



Over 3,300 young people applied for STEP-UP by the application deadline of February 2, 2012. Of those, 2,921 (88%) were eligible. Ineligible youth included those that did not live in Minneapolis, were currently enrolled in college, or did not meet the age requirements.

Another 485 youth applied under the extended deadline for the STEP-UP Explore program, which serves targeted populations of youth including new immigrants, youth with special needs, and youth participating in Upward Bound programs.

Employers

221 employers participated in STEP-UP. New STEP-UP employers in 2012 included:

- Agosto, Inc.
- Common Bond Communities
- El Colegio
- Minnesota Supreme Court
- National Parks Service
- Nina Hale
- Textile Center
- SMC Pros

The largest employers (by sector):

Government/Public Sector

- Minneapolis Park and Recreation Board – 232
- Minneapolis Public Schools – 72
- University of Minnesota – 60
- Hennepin County – 54
- City of Minneapolis – 45

Private Sector

- Wells Fargo – 40
- U.S. Bancorp – 28
- HealthPartners – 20
- Allianz Life Insurance – 12
- Allina Health – 12

Non-Profit

- EMERGE Community Development – 82
- Asian Media Access – 61
- Cookie Cart – 50
- Tree Trust – 49

Pillsbury United Communities – 46

Training and Placement

1,833 Minneapolis youth were placed in internships.

STEP-UP invited all eligible youth (2,291) to attend classroom work readiness training. Of those, 1,844 – or 63% of those invited - completed the training and were in the pool to be matched with jobs in STEP-UP Achieve and STEP-UP Discover.

The 485 STEP-UP Explore received work readiness training and other supports on their work sites.

Specialized trainings provided to STEP-UP interns:

70 interns participated in an eight-hour **technology and entrepreneurial** training led by a team of Google trainers. This training was targeted to youth interested in internships in the IT and technology sector.



92 youth interested in the **healthcare** field attended a four-hour training designed to prepare them for their internship in the medical field. Training topics included confidentiality and HIPAA as well as a more in depth look at career options in the healthcare.

U.S. Bancorp provided **financial literacy** training for STEP-UP interns, offering Finance 101 for youth with limited banking experience and Finance 201 that provided more advanced financial training. Close to 80 interns attended one of these four-hour trainings.

Nearly 600 interns participating in STEP-UP Discover attended a three-hour weekly class. Class helps interns keep their **academic skills** sharp over the summer and provides financial literacy and life skills training. Many of the interns will earn up to two elective academic credits for their attendance in class paired with their summer internship.

Partners

STEP-UP is operated with community partners including:

- **AchieveMpls**
- **Minneapolis Park and Recreation Board**
- **Minneapolis Workforce Centers**
- **Project for Pride in Living**

Hiring and the Economy through the Lens of the Minneapolis Workforce Council:

Minneapolis Workforce Council Member Discussion: Private Sector Workforce Development/Training and Employment Needs

Background: On July 1, 2012, the Minneapolis Workforce Council added five new members representing multiple industry sectors. Due to this change in membership, an interactive conversation was initiated during the regular meeting of the Council on Tuesday, September 18, 2012. The goals of this conversation were threefold. First, the City of Minneapolis Employment and Training Program seeks ongoing input from private sector business partners to gain real-time insight into business trends. Any analysis of labor market statistics requires context from local business, informing and shaping workforce development strategies. Second, METP uses a de-centralized system of service delivery. Therefore, METP regularly transfers information to our contracted employment service providers, thus allowing them to provide information-driven services and employment resources to their constituents. Finally, MnSCU and the Skills @ Work Campaign through the Governor's Workforce Development Council has recently focused on identifying labor market "skills gaps" from employer perspectives. In order to capture and synthesize accurate information at a local level, a "deeper dive" into the experience of workforce council members provides

crucial data. This information not only assists us to prepare effective workforce development pipelines, but also to ensure training programs and curriculum are aligned with career entry and progression.

Themes and topics are outlined in the following discussion questions:

- What are your workforce development needs and challenges?
- What skills are needed, specific to your industry, both currently and in the future?
- How does the reality “on the ground” compare to labor market projections?
- What are the issues you are most concerned about?
- More people have returned to job search who were formerly discouraged: this has inflated the unemployment numbers. Are companies seeing an increase in applicants?

Participating in the discussion:

Todd Klingel, Minneapolis Regional Chamber of Commerce

Darla Figoli, Xcel Energy

Carolyn Roby, Wells Fargo Foundation Minnesota

Craig Vana, Minneapolis Public Schools

Reuvin Rahamin, Accent Signage

Anthony Goze, MAG Mechanical

John Mbali, Hennepin County Human Services

Linda Vang, Olu’s Home Inc.

Terrell Towers, MN Department of Employment and Economic Development

Elizabeth Campbell, Ryan Companies US, Inc.

Carlye Peterson, Adult Education, Minneapolis Public Schools

Dan McConnell, Minneapolis Building and Construction Trades Council

Tyler Olson, SMCpros

Sharon Bredeson, Staff-Plus, Inc.

Ken Lundquist, Rehabilitation Services, DEED

Jim Roth, Metropolitan Consortium of Community Developers

Laura Beeth, Fairview Hospital

1. Community-Based Organization:

Minneapolis Regional Chamber of Commerce

Todd Klingel: Minneapolis Regional Chamber of Commerce is partner to the State Chamber of Commerce Grow MN initiative, aiming to grow jobs regionally across the 11 metro counties. Grow MN involves metro area businesses in conversations related to their concerns and view of the economy.

At present, the network has [56 local partners](http://www.mnchamber.com/research_economy/background_GrowMN.cfm) representing chambers of commerce or private-sector economic development organizations.

Strengths:

The Fortune 500 companies located in the metro region spur organic growth.

Question for economic development: what would attract complementary businesses to the area?

Vikings Stadium is perceived as a sign of economic strength.

Chamber of Commerce membership is growing.

Negatives:

General tenor – hiring “tentativeness” Businesses feel better, but not good. No quick ascendancy. Companies found the layoff process so painful over the past few years that they are reluctant to put themselves in that position again. Consequently, they are being very cautious in renewed hiring.

Minneapolis business needs:

- Graco is searching for machinists. MCTC is responding – from the viewpoint of businesses, not enough machinists are currently in the development pipeline. *(see end notes)
- Allianz: searching for actuaries.
- Accounting firms: experiencing growth

2. Construction:

Ryan Companies US Inc.

Elizabeth Campbell: Ryan Companies experienced a 40% reduction in staff over two years. The “boom” of 2004 led to the dramatic cuts in 2008. This reality has resulted in caution regarding making new hires among hiring managers. Overall, there is much more scrutiny around retaining employees as well as more carefully-considered hires.

Negatives: Current trends: no increase in wages, no profit sharing, with neither predicted to return any time soon.

Strengths:

Ryan’s Building Maintenance business division allows expansion in areas other than construction.

New positions reflect market sector as well as geographic expansion.

More technical skills are needed from new hires. For instance, the company just hired a Manager of Virtual Design. Ryan opened a new office in Texas.

MAG Mechanical

Anthony Goze, owner and chief manager, explained that MAG Mechanical is a union contractor as well as a certified minority-owned construction firm. With high levels of unemployment, i.e. recent counts are at 250 sheet metal workers on the bench, the mechanical trades have not been adding new people.

Concerns: Anthony estimates that as many as half of those on the bench do not have the skills needed for today’s work environment, or that they do not want to work, or both.

Skills in-demand:

- **3D modeling – is needed in order to build to the scale required for efficient installation.**
- **Work “safe and smart” people are able to do multiple tasks.**
- **This all starts with education to get qualified people who can work efficiently, and to continue to educate for future innovation.**

3. Organized Labor:

Dan McConnell, Business Manager, Minneapolis Building and Construction Trades

Minority hiring: Working on doing this effectively.

MnSCU: Currently, Dan is working to build partnerships with apprenticeship programs and the MnSCU educational system, to allow accreditation of programs for union training.

Positives: Vikings stadium construction

Concerns: Is this a short-term boom that will cause another employment bubble? What is the long-term outlook for construction?

Incumbent workers: People are trying to decide if they want to come back to work in the trades and risk dealing with the volatility.

Areas for consideration: An entrepreneurial /business start-up track for Union members. Skill-building and/or apprenticeship system may include this track in the future. This strategy could be a cross-over between Union-based training and MnSCU diploma/degree tracks, creating a hybrid system.

Shifts in employment will relate to innovation, the knowledge economy, and the need to work collectively to build effective educational tracks.

4. Education:

Minneapolis Public Schools

Craig Vana: Only 28% of the population currently holds a Bachelor’s Degree. How is this changing? What are we doing with schools? What are the efficient/effective methods for aligning what we teach to the workforce/business?

Conversation: “school to work” approach: prepping kids for the workforce – how do we get this set up? K-14? How do schools speak to the construction/manufacturing/business community?

Trends: need to extend STEM beyond the four-year track. Educators need to evaluate all jobs in which math and engineering are needed (not just four-year or advanced-degree students).

Example: construction does not happen in a vacuum: at some level, all positions are connected to professional occupations, and all positions contain professional elements.

Adult Basic Education

Carlye Peterson: How does our discussion fit with other discussions people around the table are in? For example, I am on the Skills@Work Manufacturing panel. How does what they are recommending fit with what was reported to us about manufacturing? Is there a career pathway of entry, mid and advanced careers/jobs people can consider? Some of it is so technical but are there areas that are less technical that need to be filled? Do people outside of manufacturing even know what jobs are in that field/industry? How can we promote growing fields?

Question about the construction field—is there a way to promote repairing infrastructure that could keep the folks in the trades working? These are things that have to be done---can we identify a goal to help decision makers solve issues like this? Is that our role?

5. Manufacturing

Accent Signage in Minneapolis

Reuven Rahamim: Manufacturing is an engine which produces work across sectors. As a producer of environmentally-friendly signage, Accent Signage supports growth in construction, plumbing, and other sectors.

Negatives: In today's economic climate, return on investment is not evaluated effectively. When low-bid wins out, no effort is made to look at the larger value proposition. Each contractor has a budget, however, when the cheapest product is purchased (i.e. Chinese-produced LED), and then breaks down in two years, this is not a strong value proposition.

Positives: Reuven is a Dunwoody graduate who appreciated the hands-on exposure he received there.

- Reuven disagrees that “you are not good enough” if you don't go to college
- No school teaches signage – businesses modify skills set to get people where they want them to be
- This trend is prevalent across manufacturing, change being the norm

6. Health Care

Fairview Hospital

Laura Beeth: Health care comprises 15-17% of the overall Minneapolis economy. The health delivery model has changed: people are accessing health care differently than ever before. Fairview has found that employees are dealing with constant change, and that health care remains a degree-oriented field. Health care laddering programs are needed, successful employees will have a need for life-long learning.

- **Current initiatives include laddering programs, residency programs, SCRUBS camps, etc.**
- **Current workforce strategy: Numerous clinical rotations to build pipeline including 5,500 pre-licensure nursing students in rotations.**
- **Of Fairview's 700 openings, 400 are in Minneapolis, the majority of these positions require degrees, certifications, and licensure.**
- **Hiring more nurse practitioners and physicians assistants, St. Catherine University has recently opened the second Minnesota Physician Assistant Program.**
- **Health care training is often driven by reimbursement requirements and regulation.**

Linda Vang: Olu's Home Inc.

Concerns: Turnover is very high, and group homes are impacted by people trying to upgrade careers. This industry is impacted by the stigma of low-paying jobs. These are hands-on jobs where experience outweighs a degree. Services are in-home, out of the clinical setting.

I think this information can be used or implemented in our schools systems or with our employment services providers. Depending on the interests or goals of each individual different career goals may be selected or given as options for each individual. For example, if an client/job seekers informs me, as the employment provider, that s/he does not want too many years of school but would like to be in the healthcare field, I might use this data to inform them of options out there - possibly to pursue a CNA or HHA certificate.

This information can also (as I learned through our youth meeting) be passed to youth through popular social media =
- Facebook, YouTube, etc.

7. Marketing

Tyler Olson, SMCpros (Social Media Consulting, LLC)

Concerns: Overall, worried about the marketing industry. Recently, we lost two major marketing firms. Four of the top 10 marketing firms have either gone under or are in stress. Our top development shops hired 750 people in one year.

Trends: the mobile app development space is dominant. This has brought about a dramatic shift in marketing over the past 10 years: the industry is converting from art to science. Also, employees are being recruited from North and South Dakota (or other parts of the country), as wages are generally higher in the Minneapolis market.

In-demand: developers/analysts

Over-supply: creative types

8. Utilities

Darla Figoli, Xcel Energy

In-demand: positions related to construction of transmission lines and replacement of other utility assets; engineers, project managers. Also, shortage in nuclear positions – entry level and beyond. Also, have some difficulty in hiring business related positions, i.e. compensation consultants due to competition with other large employers.

Partnered with community colleges in forming energy specialist and nuclear energy specialist programs.

Focusing hiring managers on "hiring for character, training for skill" in places where transferable skills may be available, i.e. veterans.

Required skills in most utility positions: math, ability to read plans, reading comprehension, basic knowledge of maintenance,

Project management and engineering are important skills.

Xcel could support models (internships or other) to assess whether candidates show solid behaviors (safety, teamwork) as well as basic skills.

Slogan of the hiring managers right now: "hire for character vs. skill".

Required skills: math, reading a plan, reading comprehension, basic knowledge of maintenance.

In order to move up: project management and engineering are important skills.

Xcel would support internship model to assess whether candidates show character as well as basic skills.

Chad Telford, Graco

Graco is looking for machinists. We are a highly technical company and our biggest recruitment areas tend to be machining and engineering (both design engineers as well as manufacturing engineers). Machinists can be hired without a two year degree as long as they have experience; however we prefer to have a combination of both. Engineering is almost exclusively filled with degreed individuals.

We recognize that people's degrees do not define them in that area of expertise forever. Often our engineers are moved around the company based on their overall skills, such that they may move into Sales, Marketing, or into leadership roles.

We like to have a combination of experience and education. In fact we employed over 45 student interns this summer. Most of them were in the engineering areas but we also had a mix of other areas as well. All of them were pursuing college degrees and wanted to supplement their education with "real world, hand on" experience. This track is a great benefit to our organization as well as the students. We hire quite a few of our entry level engineers through our intern program!

Ken Lundquist, DEED – No Comments were made at this meeting

Minneapolis Workforce Council Meeting Adjourned at 9:30am

**Next Minneapolis Workforce Council Meeting:
Crown Roller Mill**

Tuesday, November 20, 2012

8:00 a.m. – 9:30 a.m.

AN EQUAL OPPORTUNITY PROGRAM

Auxiliary aids and services are available upon request to individuals with disabilities.

TTY (612) 673-2157

Minneapolis Employment and Training Program (612) 673-5298