

**Northeast Minnesota Office of Job Training  
Workforce Development Board Meeting  
Iron Range Resources Eveleth MN 55734  
Tuesday, December 10, 2019**

Regularly scheduled meeting called to order by Chair Stone at 10:05 a.m.

**WDB members present:**

Bud Stone, Darik Carlson, Paul Carlson, Josh Goutermont, Kelly Hertling, Kelsey Johnson, Art Larsen, Mike Raich, Stan Paczynski, Allen Rasmussen, Todd Scaia, Kelly Zink, David Ulrich

**Excused:** Dave Debevec, Wayne Kangas, Jeri Werner, Terri Nystrom

**Absent:** Wade Fauth, Lynn Krall, Jeff Lee, Jason Quiggin, Roy Smith

**Guests:** Tracy Chase, AEOA; Shawn Herhusky, DEED; Jim Hegman, DEED

**Staff:** Michelle Ufford, Marie Domiano, Heath Boe, Renee' Marconett

**Motion made by Raich, supported by Rasmussen to approve the December 10, 2019 agenda as written, with no additions or revisions; motion carried unanimously.**

**Motion made by Paul Carlson, supported by Goutermont to approve the September 25, 2019 minutes as written, motion carried unanimously.**

Stone began meeting by introducing Marie Domiano, who will be replacing Michelle Ufford as the Executive Director of NEMOJT as of January 1, 2020.

**Unemployment Insurance Presentation**

Jim Hegman, Unemployment Insurance Division Director - DEED

Hegman updated board members on the Unemployment Insurance Program.

**Program Overview**

**Basic Eligibility**

- Unemployment Insurance offers a partial, temporary benefits for workers who are unemployed due to no fault of their own.
- Partial: UI benefits are about 50% of the worker's average weekly wage, up to a maximum of 66-2/3% of the state's average weekly wage.
- Temporary: UI benefits are available for up to 26 weeks.
- Unemployed due to no fault of their own:
- As a general rule, applicants must have been laid off to receive UI benefits – but there are exceptions to this.
- Applicants must meet eligibility requirements related to their work history and efforts to get back to work.

**Funding**

**Benefits --**

- UI benefits are funded by a state payroll tax administered by each state. Revenue goes into the state's UI Trust Fund. The money is held by the US Treasury in 53 separate accounts.
- UI Trust Fund dollars can only be withdrawn to pay UI benefits.

### **Program Administration--**

- UI administrative funding comes from a federal payroll tax overseen by the US Department of Labor (USDOL).
- USDOL determines state administrative budgets (which are based on workload and rise/fall with activity levels).
  - We are funded to do 7, very specifically defined things
  - Essentially, funding is on a piecework and “lights on” basis
  - USDOL also has authority to allow/disallow state expenditures.

### **Structure**

- Looks like one program, actually there are several --
- Ongoing programs --
  - Regular state UI benefits (UI)
  - UI benefits for federal workers (UCFE)
  - UI benefits for ex-service members (UCX)
  - UI benefits for individuals that work in more than one state (CWC)
  - Trade Readjustment Allowance (TRA)
  - Shared Work
  - Extensions -- Whether passed by Congress or the Minnesota Legislature.
  - There were around 12 extended benefits programs running at various points during the Great Recession.
  - DUA -- Disaster Unemployment Assistance (DUA) in the event of a presidential disaster declaration.

### **UI Taxes**

- In an average year:
  - Approximately 10,000 new employers register for UI accounts
  - Approximately 13 million wage records are submitted
  - Approximately 130,000 employers receive an individualized tax rate
  - Approximately \$800 million in UI taxes and reimbursements is paid
  - Approximately 80,000 employer calls are answered by MN UI Customer Service Center staff
  - We also are working behind the scenes to:
    - Recover delinquent taxes and reimbursements
    - Audit employers for integrity and compliance
    - Detect and act upon tax avoidance schemes
    - Transfer experience ratings in the event of successions

### **UI Benefits**

- In an average year:
  - 200,000 new applications for benefits are submitted
  - 180,000 individuals are determined eligible/ineligible for UI benefits
  - 2,500,000 weekly benefit requests are submitted
  - 600,000 applicant calls are answered by MN UI Customer Service Center staff
  - We also are working behind the scenes to:
    - Detect and stop fraud and identity theft
    - Assign charges to employers
    - Issue overpayments
    - Collect overpayments
    -

## **UI Program Performance**

- There are 18 primary measures that are used by USDOL to compare all 53 jurisdictions
- Most of the measures have to do with timeliness and accuracy of payments and tax collections
- Minnesota is in the top four or five in these measures. Most states in the nation are far behind
- Minnesota is one of the most cost effective states
- Minnesota and Utah are the only two states that maintained and improved performance during the Great Recession
- Minnesota typically has the best performance of the medium and large states

## **Constraints**

- There is no cap on activity level – no maximum number of applicants in a year
- The size of the program can quadruple in a little over a year during a downturn
- Funding lags workload by about six months to a year
- Staff recruitment and training lag funding by another six months
- Typically, workload will have dropped by the time we could staff up
- There is no practical way to address a backlog if it were to occur

No matter how deep or prolonged a recession is, we cannot delay payments nor can we shut down after we serve so many.

## **Updates on 218 Trades and Healthcare sector initiatives**

Heath Boe and Shawn Herhusky

The 218 Trades Career Expo was held on October 8<sup>th</sup> at the Range Recreation Civic Center in Eveleth. 453 students attended from 21 schools. There were 11 trade unions present, along with two technical colleges and two employers – Ulland Brothers and Max Gray Construction. This was the first year they had an “Open to the Public” event from 4:00 – 6:00 p.m.; with 60 people attending. It was suggested this event be moved to the spring, as this is when the construction trades are ramping up for the summer season. Boe added the Iron Range Job Fair will be held the first part of April 2020 in Virginia. The committee for this event is looking at having break-out sessions for individuals to attend a 218 presentation explaining what the trades involve, pulling in a couple of employers to talk about the different trades, and then have an open forum for questions/answers. NEMOJT Career Counselor Dave Cook is doing outreach at area schools to inform students what the 218 Trades involve.

Art Unlimited has completed the development of the 218 Trades website. Boe has been meeting with AU every three weeks to discuss the social media campaign with Facebook and social media posts. Staff will attend training with AU on December 12<sup>th</sup> to learn how we can update the website when there are revisions/additions.

The healthcare sector committee will be meeting in March 2020 to discuss the “shared work with an existing employee” concept. They are looking at sharing 16 staff between employers. Boe and Herhusky attended a healthcare hands-on event in Hutchinson. It was very informative and had many different interactive exercises for students. Herhusky is working with Itasca Area School Collaborative (IASC) in developing a Health Occupational Students of America (HOSA) group for high school students. This is a club that allows students to experience things in healthcare. There are currently 60 students participating. Both Grand Itasca and Essentia are funding this program – which will include students attending state events and touring university hospitals to observe different aspects of the medical field.

They have received a lot of positive feedback and hope to continue with this program at the Hibbing area academy. There will be a quarterly newsletter forthcoming outlining the activities taking place.

### **Equity and Inclusion Activity**

Michelle Ufford

Ufford informed members we have received another regional funding allocation from DEED in the amount of \$43,360. The turnaround work plan to access these funds is due January 10, 2020. Last year we received \$43,000 from DEED to fund four specific activities – 218 Trades, healthcare, CareerForce Improvements, and talent attraction. The regional leadership committee will be meeting in the next couple of weeks to discuss how these funds will be spent. DEED will be looking specifically for work plans with projected outcomes and the ability to measure the impact of regional activities. Attention should be stressed on equity and engagement with communities of color and tribes in the regional work, along with addressing diversity, equity, and inclusion on the employer side. Board members will be updated at the next meeting on how these funds will be spent.

All staff has taken the Intercultural Development Inventory (IDI) assessment. CareerForce locations were closed and employees met with IDI staff to talk about different cultures. We are now looking at a more practical approach on how to better connect with different populations – for example, Native Americans. Ufford has a proposal from three consultants who can continue working with staff and offer resources connecting with natives. She is in the process of putting together a funding plan, and plans on receiving funds from the Northland Foundation, McKnight Foundation, and Blandin Foundation. There may also be some additional funds from the regional funding allocation from DEED.

### **Miscellaneous**

An email will be sent out to board members asking for their input on topics for future meetings.

Paul Carlson commended Ufford on a job well done as the Executive Director of NEMOJT. She has worked hand in hand over the years in partnership with AEOA and will be missed by all.

Meeting adjourned at 12:01 p.m.