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**Minnesota Job Skills Partnership
Special Incumbent Worker Training Program**

**FY 2008 Performance Report
as Required by Minn. Stat. 116L.18, Subd. 6**

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In accordance with Minn. Statute 116L.18 Subd. 6, the Minnesota Job Skills Partnership Board and the Commissioner of the Minnesota Department of Employment and Economic Development are required to provide a report to the legislature by March 1st of each year on the previous fiscal year's program performance for the Special Incumbent Worker Training Program. At a minimum, the performance measures are to include post-training retention, promotion and wage increase.

On June 27, 2006, the Minnesota Job Skills Partnership Board approved funding for seven Special Incumbent Worker Training Program grants. These were the first Special Incumbent Worker Training Program grants awarded. Another Special Incumbent Worker Training Program grant was awarded on February 25, 2008. Special Incumbent Worker Training Program grants are funded through Workforce Development Funds. Grants are paid on a reimbursement basis based on actual activity. Following is a brief summary of each of the grants awarded and the results as of June 30, 2008.

Training Providers: Inver Hills Community College, Metropolitan State University, and Minneapolis Community & Technical College

Participating Businesses: 3M, BlueCross BlueShield, Qwest Communications, Technology Management Corp., TelEd, Inc., Thomson West, US Bank, and SpanLink

Project Period: June 27, 2006 - October 31, 2009

Award Amount: \$243,310

Project Summary: The three participating educational providers make up one of four Centers of Excellence, the Center for Strategic Information Technology & Security. This project is designed to enhance the skills of the information technology incumbent workforce in the area of Internet Protocol (IP) Telephony. This technology is used to converge voice, data and video onto a single platform. A total of 110 employees from eight participating businesses will receive the training needed to help the businesses stay ahead of the competitive curve in this emerging technology. The curriculum includes courses developed through a previous MJSP grant as well as some courses that will be newly developed. The courses to be provided include: IP Telephony Orientation, Foundation for IP Telephony, Enterprise Planning & Design, Quality of Service, IP Telephony Integration – Fundamentals, IP Telephony Integration – Advanced, IP Telephony Methodologies, Application Management Strategy, and Impact of IP Telephony on Enterprise. Through this project, the Center for Strategic Information Technology & Security will be on the leading edge nationally as a provider of this type of training and will be positioned to meet the training needs of businesses as the expected demand for this technology peaks in 2008-2010.

Status: As of June 30, 2008, 69 individuals had been enrolled in training, 46 of those individuals had completed training and 23 were still in training. Of the 46 individuals who completed training, one had terminated employment. For those who completed training, the time it took to complete training ranged from one to eighteen months. The average time to complete training was four months. While it does not appear there were any promotions as a result of training, wages increased for all individuals who completed training on average of 4.7% (an average increase of \$1.64 per hour). For those who completed training, wages before training averaged \$35.10 per hour and wages upon completion averaged \$36.74 per hour. By October 31, 2008, the remaining 23 individuals had completed training

along with an additional 10 trainees who had been enrolled. Wage increases for this group was consistent with the wage increases of those who had completed training by June 30, 2008.

Based on course surveys completed by the trainees, overall, they are satisfied with the training they have received and believe the training is relevant to their job or career goals. The trainees benefit by receiving an academic certificate in IP Telephony and by receiving training that leads to industry certification. Participating employers have also expressed satisfaction with the training being provided. As a result of this project, Inver Hills Community College has been recognized nationally as the only two year college with a comprehensive academic IP Telephony degree program.

The project had experienced some minor delays due to updated versions of software and a hold on some training equipment by the vendor. The project was initially scheduled to end in February 2009 but has been extended to October 31, 2009.

Training Providers: MN Teamsters Service Bureau/Dakota County Technical College

Participating Businesses: Midwest Coca-Cola, SuperValu, US Foodservice, North Star Foods, SYSCO Minnesota, and USF Holland

Project Period: June 27, 2006 – February 28, 2009

Award Amount: \$400,000

Project Summary: This partnership between MN Teamsters Service Bureau and Dakota County Technical College will address a critical shortage of truck drivers due to mass retirements and an unprecedented growth in the volume of shipments. Dakota County Technical College will deliver truck driver training and testing to a total of 159 individuals, selected from the businesses or recruited through community linkages. The Commercial Drivers License (CDL) training will be customized specifically for each business to develop a model for advancing individuals already employed in the transportation industry, and to attract new workers to truck driving careers. Retention services will ensure that new drivers remain in their positions. This project will help the business partners meet their existing deficit for new drivers and provide job advancement and increased wages for employees. It will also be used as a layoff diversion for SuperValu warehouse workers who will be re-trained as CDL drivers.

Status: As of June 30, 2008, 133 individuals had started training. Of those who started training, two had dropped out of training but were still employed in their pre-training occupation, and 115 had completed training. All of the trainees who have completed training have passed the CDL Class A test. Twenty of the individuals moved up into Driver positions after approximately one month of training. Eighteen individuals moved from Warehouse positions with an average wage of \$20.62 per hour into Driver positions with an average wage of \$21.60 per hour. Seven of the trainees that moved into Driver positions were SuperValu warehouse workers who were at risk of being laid off. Overall, eighteen individuals received wage increases with an average increase of \$2.47 per hour (20%).

Eighty-three of the trainees were already employed as Drivers prior to participating in training with wages averaging \$20.77 per hour. These individuals received advanced training as refresher courses or to achieve special endorsements on their license. Three of these individuals received wage increases ranging from \$1.70 to \$8.65 per hour.

As of October 31, 2008, 125 individuals had completed training. One additional participant received a wage increase of \$1.00 per hour. Three individuals who were awaiting placement as Drivers were laid-off from their previous jobs which were unrelated to the transportation industry.

The project had experienced some difficulties in recruiting workers for training. In addition, one of the participating businesses, Midwest Coca-Cola had dropped from the project. The project is scheduled to end on February 28, 2009.

Training Provider: Pine Technical College

Participating Business: Deli Express

Project Period: June 27, 2006 – October 31, 2008

Award Amount: \$269,159

Project Summary: Deli Express, a major Minnesota manufacturer of “ready to eat” packaged foods, employed 825 individuals at their Eden Prairie facility in June 2006 and had expected to increase their workforce to 940 by 2007, with 35 of the new hires to receive training through this project. Of the 280 incumbent production workers, 85% have limited or non-English speaking skills. Pine Technical College and Deli Express are partnering to develop and provide training that will address production problems that have threatened profitability. A total of 571 employees were to receive training in functional workplace English, cross-cultural understanding and retention management, and account management. Two Virtual Reality training simulators were to be developed for training in Functional Workplace English and Virtual Store that could be adapted to meet the growing needs of employers in a variety of industries. The Virtual Store training was geared towards Territory Sales Merchandisers and would allow them to navigate around a simulated store and perform a variety of tasks in that environment. Training was intended to provide workers with enhanced employability and enhanced job retention and progression.

Status: As of June 30, 2008, 349 individuals had started training. Six of the individuals terminated employment with the participating business as of June 2008. The remaining 343 trainees were all scheduled to continue training through the project end date of October 31, 2008. Trainees started training at various intervals with the earliest start date of January 24, 2007. All trainees have received wage increases of approximately 3.5% (an average increase of \$.42). Wages before training averaged \$12.04 per hour for this group. Wages after training averaged \$12.46 per hour.

Another group of 90 trainees in management/supervisory positions began training in October 2008. The company planned to continue the training on their own for this group through December 2008. Two of the employees in this group terminated employment. The company noted that several of these employees were placed in management/supervisory positions for which they were not prepared and this training resulted in these employees retaining their jobs.

The project ended on October 31, 2008 with a total of 439 employees receiving training. Of the 439 trainees, 8 terminated employment, 343 completed training and 88 were to continue training through December 2008. The Virtual Reality simulators were not developed as the company determined the simulations wouldn't meet their needs. However, the Functional Workplace English training was still provided through an instructor led course. Overall, the company expressed satisfaction with the training their employees received. An evaluation form completed by the company indicated that the training had a positive impact on productivity, quality, employee motivation and retention of employees.

Of the \$269,159 awarded, \$160,368 was expended. The remaining amount will be returned to the Workforce Development Fund.

Training Provider: Pine Technical College and Northwest Technical College

Participating Business: Reviva

Project Period: June 27, 2006 – October 31, 2008

Award Amount: \$293,712

Project Summary: Reviva, located in Fridley, MN is one of the largest independent re-manufacturers of diesel and gas engines in North America. Although revenue had increased over the past 10 years, profits had declined. This project joined two educational institutions, Pine Technical College and Northwest Technical College-Bemidji, with the Center of Excellence for Manufacturing & Applied Engineering to provide training to help Reviva increase revenue and improve profitability. Training was to be provided to 172 Reviva employees in areas that had been identified as their leading production-related problem areas, such as Kitting, Cleaning, Contamination Control, Root Cause Analysis, Oil Analysis, Machine Training, Assembly, Quality Mapping, Torque Wrench, etc. Through this collaboration, each school would gain technical expertise by sharing valuable resources, which includes the development of a new Torque Training Simulation System, expanded capacity in precision machining and the development of a new ASE Certification Program.

Status: As of June 30, 2008, 96 individuals had started training and seven of those individuals had terminated employment with the participating business. As of October 31, 2008, two additional employees had terminated employment and the remaining 87 trainees had completed training. Five employees have been promoted to work leads and six have been promoted to various value stream related positions as a result of training. In addition, the company indicated that the training resulted in improved overall corporate performance and financials which allowed the company to provide wage increases to most employees. Sixty-six of the trainees received pay increases with an average increase of 6.7% or \$1.41 per hour. Prior to the training, the company had been under a wage freeze. Overall, wages averaged \$23.68 per hour before training and \$24.75 per hour after training.

The project ended on October 31, 2008. The company indicated several positive outcomes resulting from this training initiative. The company reported that productivity improved by 27%, turnover improved by 95%, quality improved by 50%, and lead time improved by 67%. In addition, the company reported that worker's compensation costs decreased by 40% as a result of new safety components that were included in the training. In early 2008, the company was able to begin hiring additional employees. In April 2008, the company had been selected as the Manufacturer of the Year by the Manufacturing Alliance of Minnesota. The company believes the training directly contributed to their receipt this award.

Of the \$293,712 awarded, \$234,705 had been expended. The remaining amount will be returned to the Workforce Development Fund.

Training Provider: Riverland Community College

Participating Business: Viracon

Project Period: June 27, 2006 - October 31, 2009

Award Amount: \$284,164

Project Summary: Viracon, located in Owatonna, MN, manufactures architectural glass. Their workforce of 1,680 includes a high percentage of minority workers, mostly Latinos, in lower level labor positions. To help ensure a reliable labor supply and strengthen its position in the increasingly

competitive labor market, Viracon and Riverland Community College have partnered to develop an “Employer of Opportunity” program designed to expand promotional opportunities for minority employees. Employees will move through a three-phased program focusing on recruiting minority employees. Phase I, *Recruitment & Assessment* consists of activities surrounding promotion, recruitment and assessment of skills, and support initiatives. Phase II, *Fundamental Skills Training*, will evaluate language and academic abilities, and place trainees into appropriate skill-improving courses, such as English-as-a-Second Language, Basic Math and English. Short-term skills training will simultaneously provide participants the opportunity to acquire skills in areas such as welding or forklift driving. A “Study Skills/College Readiness” course will help prepare trainees to move into the development opportunities of Phase III, *Technical Skills Training*, which includes college-level courses such as Supervisory Management, established liberal arts courses and on-campus occupational programs. Through the training program, the company expects to help 200 Viracon employees acquire language, academic and technical skills needed for increased promotional opportunities within the company. The project is expected to result in a model that can be used by other businesses.

Status: The first year of the project was spent developing curriculum. The Production Technician I program was developed as a certificate program that individuals can take for manufacturing awareness. Credits earned can then be applied towards Industrial Maintenance, Welding and Machining programs. In addition, Manufacturing Skills Standards Council curriculum in the areas of Safety, Maintenance, Quality and Continuous Improvement, and Manufacturing Process and Production had been developed and approved through the college curriculum process. These courses will enable trainees to pass the nationally recognized MSSC certification exams for each level.

Training began in September 2007 for 165 individuals. By June 30, 2008, 208 individuals had started training, twenty-nine had terminated employment and an additional forty-four had discontinued training, mostly as a result of schedule conflicts. By October 31, 2008, 10 additional trainees had terminated employment. None of the trainees have yet completed training. Most of the trainees are currently in phase II of the training program receiving ELL and fundamental skills training. Phase III training is scheduled through the Fall 2010 semester. It is anticipated that a total of 50-60 individuals will participate in Phase III of the training program.

The project is scheduled to end October 31, 2009. It is likely that some of the training will continue beyond the scope of the grant.

Training Provider: Teamworks

Participating Business: TEAM Industries and Dee Inc.

Project Period: June 27, 2006 – February 28, 2008

Award Amount: \$200,000

Project Summary: This project was intended to assist two rural manufacturing businesses to increase the skills of their Latino workforce. Dee Inc., located in Crookston, MN, is a manufacturer of aluminum alloy and permanent mold castings. TEAM Industries, with plants in Audubon and Detroit Lakes, manufactures power train solutions for all-terrain vehicles. Each company estimated the need for at least 50 more skilled workers by 2008. Teamworks had planned to provide training to 65 employees (40 new hires) that would increase their CNC technical proficiency and ESL skills. Language Solutions, a Northfield, MN based company, was to develop a manufacturing Vocational ESL computer-based program that would integrate traditional training methods with interactive voice recognition software.

Status: Shortly after the project was funded, the needs of the participating businesses changed. Dee Inc. restructured their management and ended up downsizing their workforce, mostly through attrition. TEAM Industries only had a need to hire small numbers of people. As such, the businesses opted not to go forward with the training program and no training was conducted. Some computer-based vocational ESL curriculum had been developed before the decision was made to discontinue the program.

The project, which was initially scheduled to end in June 2008, closed in February 2008. Of the \$200,000 awarded, \$13,088 had been incurred for the purposes of curriculum development. The remaining funds have been returned to the Workforce Development Fund.

Training Providers: Northland Community & Technical College, Alexandria Technical College, and Hennepin Technical College

Participating Businesses: Arctic Cat, Dayton/Rogers, ITW/Heartland, Machinewell, and Toro Co.

Project Period: June 27, 2006 – October 31, 2008

Award Amount: \$350,000

Project Summary: In October 2005, this partnership received an MJSP Pre-Development grant with six Minnesota businesses to pilot applied research for a Manufacturing Skill Standards Council (MSSC) Production Technician Credentialing System. This follow-up project was to allow for continued development and integration of the Production Technician Certification throughout the MnSCU system. It was anticipated that a total of 140 employees from the participating businesses would complete training to gain certification that would make them marketable to other businesses, and help them move up the career ladder. This initiative was intended to expand the pool of skilled workers and help alleviate the growing skills gap faced by many manufacturers.

Status: As a result of this project, the partnering educational institutions developed a Manufacturing Education Model consisting of four training modules that align with the MSSC Certified Production Technician credential. The four training modules developed were Maintenance, Quality Practices and Measurement, Manufacturing Processes and Production, and Safety. In May 2008, the full curriculum was distributed to each of the members of the Coalition of Manufacturing Education (CME). The CME is a collaborative alliance of 12 two year community and technical colleges.

As of June 30, 2008, 64 employees had participated in training with 10 completing training. No employees terminated employment. The project ended on October 31, 2008 with a total of 70 employees participating in and completing training. No promotions or wage increases were reported. However, 40 trainees did pass all four production modules and received the nationally recognized MSSC Certified Production Technician credential. Wages for these jobs average \$20 per hour.

Three of the five participating businesses were unable to participate in training which resulted in a significantly reduced number of trainees. Machinewell was unable to participate due to unforeseen economic factors that had caused the company to significantly reduce its workforce, Toro Co. was unable to participate due to unforeseen corporate-mandated training and Dayton/Rogers Corp. was unable to participate due to unforeseen economic factors.

Of the \$350,000 awarded, \$189,968 had been expended. The remaining amount will be returned to the Workforce Development Fund.

Grantee: Northwest Private Industry Provider

Training Provider: Pine Technical College

Participating Business: Marvin Windows & Doors, Polaris Industries, BayPharma

Project Period: February 25, 2008 – February 28, 2011

Award Amount: \$352,993

Project Summary: The project involves Pine Technical College (PTC), five local K-12 school districts and three participating businesses. Each company is facing challenges that need to be addressed: competition for the same shrinking labor pool, their rural locations, misperceptions about working in a manufacturing environment, the need to provide training for new workers and the need to increase the skills of existing employees. The project will help inform people (including local school staff) about manufacturing opportunities and dispel myths associated with working in manufacturing; and provide training for new and incumbent workers on core skills needed to be successful in manufacturing. It is anticipated that a total of 400 individuals will receive training, including an estimated 30 high school students who have been hired part-time to expose them to local job opportunities. Training will focus on four main areas: Manufacturing Industry, Company Specific, Manufacturing Core Skills and Work-based Learning (job shadowing and internships).

Status: As of June 30, 2008, the project partners were still in the process of developing curriculum and training had not yet begun. By October 31, 2008, 318 participants from Marvin Windows and Polaris had started training. None of the participants have yet completed training. BayPharma has been struggling with the economy and has had some layoffs as a result. As such, they are not participating at this time.

**Special Incumbent Worker Training Program
Trainee Data as of June 30, 2008 and October 31, 2008**

The following chart indicates performance as of June 30, 2008 and October 31, 2008. Since grantees are only required to report occupations and wages before and after training, information on promotions and wage increases are not yet available for participants who are still receiving training.

Project Name	End Date	Planned Number of Trainees	Status As of	Number Started Training	Number Completed Training	Number Retained	Number Promoted (of those who completed training)	Number of Wage Increases (of those who completed training)	Average Wage Increase (of those who completed training)
Inver Hills CC/IP Telephony Training	10/31/09	110	6/30/08	69	46	68	0	46	\$1.64 (4.7%)
			10/31/08	79	79	78	0	78	\$1.36 (4.8%)
MN Teamsters/Truck Driver Training	2/28/09	159	6/30/08	133	115	133	20	18	\$2.47 (20.0%)
			10/31/08	133	125	130	20	19	\$2.39 (19.5%)
Pine TC/Deli Express	10/31/08	571	6/30/08	349	0	343	-	-	-
			10/31/08	439	343	431	0	341	\$.42 (3.5%)
Pine TC/Reviva	10/31/08	172	6/30/08	96	0	89	-	-	-
			10/31/08	96	87	87	11	66	\$1.41 (6.7%)
Riverland/Viracon	10/31/09	200	6/30/08	208	0	179	-	-	-
			10/31/08	208	0	169	-	-	-
Teamworks/Team Industries and Dee	2/28/08	65	2/28/08	0	-	-	-	-	-
Northland CTC/ Alex. TC/Henn. TC/ Mfg. Consort.	10/31/08	140	6/30/08	64	10	64	0	0	0
			10/31/08	70	70	70	0	0	0
NW PIC/Mfg. Consort.	2/28/11	400	6/30/08	0	-	-	-	-	-
			10/31/08	318	0	318	-	-	-