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# MINNESOTA JOB SKILLS PARTNERSHIP



2008 Annual Report

## Greetings,

Minnesota counts among its strengths our economic and business climate and strong commitment to education.

In today's global economy, we must be on top of new trends, technologies, educational programs and demographic realities. That's where the Minnesota Job Skills Partnership Program plays an important role. By bringing together businesses that need training with educational institutions that can create and deliver the training, we keep businesses thriving.



Here's a review of MJSP activity:

- **Curriculum development** for Minnesota colleges is an important MJSP goal. For example, Concordia University in St. Paul has developed special food retailing courses for SUPERVALU U, a collaborative academy that will also benefit other industry retailers.
- While **lean manufacturing** training grants have merited special attention in the last few years, we've also responded to workforce needs for certified nursing assistants and welders through Low Income Worker Training Program grants.
- New state policies and incentives are coalescing around important **green economic development opportunities**. To that end, we're helping businesses with green training programs such as the Kraus-Anderson project you'll read more about in this annual report.
- Gov. Pawlenty's newly created **Green Jobs Task Force** will develop a statewide action plan to optimize the growth of the green economy. Suzanne Spellacy, MJSP board member, is a task force member.

More great work is ahead for the MJSP. We're seeing strong interest in helping businesses prepare for retirements by mentoring their younger workers. We've funded more online training, including an exciting digital exchange to make it easier for MnSCU institutions to share training that has already been developed. We've also created a business satisfaction metric that will help us assess the program's impact.

We will continue to support the best, most effective training programs to keep Minnesota workers the best educated and most productive in the country.

Dan McElroy

A handwritten signature in black ink that reads "Dan McElroy". The signature is written in a cursive, flowing style.

Chair, Minnesota Job Skills Partnership Program

## Grant programs

The Minnesota Job Skills Partnership, created in 1983, is committed to extending the state's education and training resources so that Minnesota employers have a well-trained and skilled workforce. The Partnership brings employers who have specific training needs together with educational or other nonprofit institutions to design relevant programs. Partnership programs funded through matching grants meet short- and long-term objectives. In the long term, the Partnership's goal is to promote the economic interests of citizens through closer cooperation between businesses and the state's education, employment and training systems.

The Partnership is comprised of five grant programs:

### ■ Minnesota Job Skills Partnership Program

This cornerstone program promotes economic development and develops capacity within educational institutions. New workers and incumbent workers are targeted for new or customized training. Maximum amount: \$400,000 and there must be a 1-to-1 business match.

### ■ Pathways Program

New or customized training for low-income individuals that results in new economic opportunity. Human service agencies or nonprofits may join with educational institutions to provide training. Maximum amount: \$400,000 and there must be a .5-to-1 business match.

### ■ Health Care and Human Services Training Program

Moderates workforce shortages in health care and human services fields and provides training opportunities for direct patient care workers to advance in their profession. Maximum amount: \$400,000 and there must be a 1-to-1 match from the consortium.

### ■ Special Incumbent Worker Training Program

Provides skill-building training and expanded opportunities for those already in the workforce. Prefer projects with statewide or regional impact, creative training strategies and innovative partnerships. Maximum amount: \$400,000 and there must be a 1-to-1 business match.

### ■ Low Income Worker Training Program

Short-term, off-the-shelf training for low-income earners who have basic, yet essential, skills and motivation. Goal is to move workers into better paying jobs. Grant may be used for tuition, materials and supplies. Maximum amount: \$200,000 with no match required.



### MJSP Board Members

Front row, left to right: Commissioner and MJSP Board Chair Dan McElroy; Peggy Ann Anderholm; Suzanne Spellacy; Kathleen Dolphin; Inez Wildwood.

Back row, left to right: Larry Mareck; Bob Kill; Don Gerdesmeier; Roger Moe; Richard Tvedten; Tom Norman; James Seifert.



## Green grant helps Suzlon reach production goals

When Suzlon Rotor Corporation, a multinational manufacturer of wind turbine rotor blades and nose cones, decided to open a facility in Pipestone, Minnesota, a grant from MJSP helped Minnesota West Community and Technical College respond to the business's unique training needs.

The Pipestone facility employs about 481 employees covering 24/7 production shifts. The wind turbine rotor blades incorporate a manufactured composites process that combines fiberglass and resins through a closed mould vacuum injection process to form a single wind turbine blade. One blade weighs seven tons and spans over 144 feet long.

An ambitious workforce training program — funded with \$380,000 from MJSP and \$1.1 million from Suzlon — helped the manufacturer realize their production goal and stemmed outmigration of jobs. Notably, Minnesota ranks in the top five in the country in wind energy production.

Minnesota West customized programs to meet the workforce's specific needs, said Dawn Regnier, director of customized training services for the college. Working with Winona State University, St. Cloud State University and Southwest Minnesota State University, employees were trained in composites and rotor blade manufacturing, lean manufacturing; management/ leadership/communications; safety regulations and industrial maintenance.

From Pipestone, Minnesota it's more than 8,000 miles to Suzlon Rotor Corporation's home in Pune, India. Yet the two cultures have come together in southwest Minnesota. Ben Baliga, St. Cloud State University

professor with expertise in lean manufacturing and waste reduction and degrees from Indian universities, understands both cultures. Minnesota West was able to draw on Baliga's expertise through a partnership with St. Cloud State University.

With the combined expertise of the training partners and with Baliga's particular expertise, Suzlon today produces not one, but three rotor blades in a 24-hour production cycle while minimizing the frequency of errors. Last July the company expanded existing capacity to a fourth production line.

For Minnesota West, the grant has been used to leverage development of a new degree program, Wind Energy Technician A.A.S degree; to expand course offerings in composites and lean manufacturing, value stream mapping, Six Sigma, wind turbine blade manufacturing and logistics and supervisory management emphasizing cultural diversity.

"Suzlon has made a positive economic impact on Pipestone and surrounding communities," said Regnier. Employees temporarily re-assigned from overseas facilities stay at the historic Calumet Inn, eat at local restaurants and bowl at Bole-Mor Lanes. Management employees have built homes and become permanent residents. Company purchases of steel-toed boots, coveralls and ear- and eye- safety protection are made at M&M, the local hardware store. "Suzlon has been a wealth creator for employees, the community and Pipestone County," she said.

Without the grant, the company would not have been able to provide the high caliber of training for all employees. Suzlon plans to continue the relationship with Minnesota West College after the grant is completed because they understand our company, our training needs, and are great people to work with!

Jan Dibbern  
Safety and Training Manager  
Suzlon Rotor Corp.

## Northstar Aerospace: Where employees train onsite

Northstar Aerospace employees receiving customized training in machine tool technology don't have far to get to class. The manufacturing floor is the classroom.

Together with Max Udovich, Lake Superior College's machine technology program instructor, Northstar Aerospace will train assemblers to be machine operators, and machine operators will train to become machinists. This collaboration is backed by a \$201,284 Minnesota Job Skills Partnership (MJSP) grant, and Northstar will contribute more than \$306,700 in cash and in-kind contributions.

The company training room serves as another classroom. Lake Superior College donated six computers to make completing Tooling U assignments easier for employees. Tooling U, an online national curriculum, offers real benefits. Streaming video of a machining process saves the school from having to procure the machine and stage the process.

"I'm very excited that the MJSP is at the foundation for the training," said Kevin Snyder, vice president, human resources for Northstar. "The grant will allow employees to have the tools to advance."

Duluth-based Northstar Aerospace designs and manufactures aircraft seats, precision machined components, parts and assemblies for the aerospace industry. Northstar also brings something unique: Their nationally known Workforce Development Constellation or 6x5 model (six initiatives over five years) is the company's template for hiring and promoting strategically. The MJSP Partnership grant and the Low Income Worker Training grant are part of the constellation — complementing each other.



■ MJSP Partnership grant: It will become more difficult to hire enough skilled machinists as the company expands from 40 to 80 machinists. By strengthening the incumbent workforce, Northstar will increase the technical skills base internally at a time when technical skills will be at a premium. Northstar will improve employees' personal economic growth with a new machining career ladder combined with the know-how of moving up.

■ Low income worker opportunities: Through an MJSP Low Income Worker Training grant, SOAR Career

Solutions will partner with Lake Superior College to prepare those living 200 percent below federal poverty guidelines for employment in precision manufacturing and assembly. Northstar plans to hire several graduates of this program to fill jobs available by those moving up.

■ Scholarship/internship opportunities for Lake Superior College machine tool technology students:

Paid tuition and a stipend in return for a multi-year work commitment after graduation are available. Northstar benefits: Getting to know students in their first semester gives them a competitive edge.

■ Prior Learning Opportunities: Northstar wants to develop a culture of lifelong learning by providing incumbent workers the chance to obtain college credit for skills gained through prior work, education and life experiences.

■ Northstar's "Hire a Hero" program targets educational and career opportunities for returning veterans to meet a growing need to fill technical jobs.

■ "Experience Up": Attract retirees and provide flexible pay and benefits while Northstar receives the benefits of their years of experience as mentors for younger workers.

## Minnesota Making it Green

Minnesota revels in every hue of green. New state policies and incentives coalescing around important green economic development opportunities are sprouting. In particular, the Twin Cities of Minneapolis and St. Paul are nationally recognized leaders in green initiatives, so companies seeking to relocate in a progressive green community will have an edge. The Twin Cities show significant strengths in manufacturing and green product opportunities. The market for green building products is estimated to grow from 17 to 23 percent per year, for example.

Today about 15,000 Minnesotans throughout the state work in green jobs — and there is potential to grow more than 114,000 additional green jobs in the next 30 years.

What's a green job? A green job needs to reduce waste and pollution (think recycling) and benefit the environment (think alternative energy), offer a solid career path and pay well. Green-job creators also include companies that provide services, products or technology that support green goals.

Gov. Tim Pawlenty's newly created Green Jobs Task Force will develop a statewide action plan to optimize the growth of the green economy. MJSP board member Suzanne Spellacy is a task force member.

A growing number of businesses are requesting MJSP-funded training to become certified in LEED — Leadership in Energy and Environmental Design. LEED is a certification program and nationally recognized benchmark for the design, construction and operation of green buildings. State and local governments across the country are adopting LEED for publicly-owned and -funded buildings. There are LEED projects in progress in more than 40 countries.

Likewise, MJSP grants help educational institutions build new capacity and respond to increasing business needs for green job training.

Several recent grants have landed the MJSP on the front end of green job training. Among them:

- A groundbreaking green grant with Saint Paul College and Kraus-Anderson Construction is expected to help the Minneapolis company become the industry leader in green construction. The \$383,608 state investment and \$2.7 million private-sector investment will support a three-year collaboration. Saint Paul College and K-A will collaborate to provide extensive training and retraining to 775 employees covering new construction, existing buildings construction and facilities management maintenance.
- Anoka Ramsey Community College and the U.S. Green Building Council will provide LEED green building rating system training for Dalco Inc., a cleaning-supplies distributor. This partnership will allow Anoka Ramsey to improve its environmental sciences degree programs. MJSP investment: \$127,000/private-sector investment: \$164,800.
- Medallion Cabinetry, manufacturer of residential home cabinetry located in Waconia, will partner with Saint Paul College to build a curriculum incorporating green manufacturing principles and "natural work teams." Training will include new and customized courses for 540 managers, team leaders, machine operators, machine expeditors, inspectors, finishing workers, builders and materials handlers. Saint Paul College will include green technology into its educational programs as a result. MJSP investment: \$345,300/private-sector investment: \$1.37 million.
- When a rose is more than just a rose. When Plymouth's Len Busch Roses, wholesale producer and supplier of fresh flowers, needed best-practices training to compete successfully with foreign imports, the business turned to Anoka Ramsey Community College for some lean green. The most current green practices will be integrated with lean training and horticultural technical training — the first of its kind in the horticultural business. MJSP investment: \$300,000/private-sector investment: \$459,000.

**In fiscal year 2007 and 2008,  
the Minnesota Job Skills  
Partnership invested  
\$1.6 million in green projects  
and expects to leverage \$6.2  
million from participating  
businesses.**

- Alternative energy sources are in high demand. South Central College will develop training videos and new curriculum to train Resource Recovery Technologies employees about the operations and hazards in the recovered fuels industry. MJSP investment: \$50,000/private-sector investment: \$70,000.



- For decades Gopher Resource Corp. has recycled hazardous materials — lead, acid, polymers — that would otherwise meet their end in landfills. Like many other companies, Gopher had to contend with global pressures, changing technologies and a shortage of workers. Its lean transformation partnership with Saint Paul College has meant cost savings and renewed, improved processes. MJSP investment: \$311,000/private-sector investment: \$1.35 million.
- A better understanding of refuse operations and other hazards was the goal for the South Central College partnership with LJP Enterprises Inc., a refuse and recycling company in St. Peter. Today South Central College has the capacity to serve the refuse industry and has included this training into its occupational safety management degree program. MJSP investment: \$49,000/private-sector investment: \$56,000.

Other MJSP projects have included environmental training as part of their overall training plan. For example, Normandale College will provide environmental controls training to nearly 300 employees of Enpath Medical. Northland Community College will provide environmental awareness training for 140 employees from six Minnesota businesses needing foundation skills in manufacturing. Rainy River College will provide environmental compliance training for 100 Boise Cascade employees.

*Green training building has exploded in the last year, so our grant from MJSP was very timely. It's important for us to get our staff trained and upgraded in green construction.*

*In 2008, we – Kraus-Anderson and Saint Paul College – have ramped up and are moving right along. We've had LEED study groups, and now have 20 LEED Accredited professionals on staff. We are developing sustainable construction courses for job superintendents and project assistants and are currently running classes in best management practices in the treatment of storm water for pollution protection and implications for sustainable sites.*

*But the training isn't limited to the staff in the field. All Kraus-Anderson employees will have access to training in green building fundamentals and they will get that training through a two-hour introductory course.*

*The grant is working very well for us, and staff are very helpful. We hope we can help sustain this program in the future and look forward to Saint Paul College growing this into a world class program. I tell you, if I were running Saint Paul College, I'd be promoting the heck out of this!*

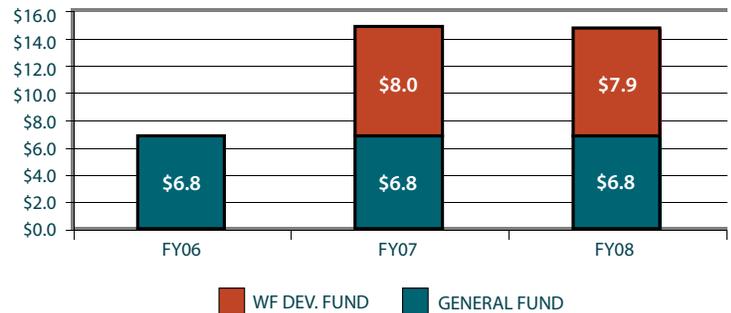
— Mike Smoczyk  
Director of Education  
Kraus-Anderson Construction Company

# Financial Summary

## Minnesota Job Skills Partnership Program Funding

The Minnesota Job Skills Partnership receives an annual General Fund appropriation of \$6.8 million. As a result of legislation that allows the MJSP Board to use Workforce Development Funds for MJSP programs when adequate funding is available and when certain conditions are met, the MJSP Board transferred an additional \$8 million in FY07 and \$7.9 million in FY08 to the Minnesota Job Skills Partnership Program.

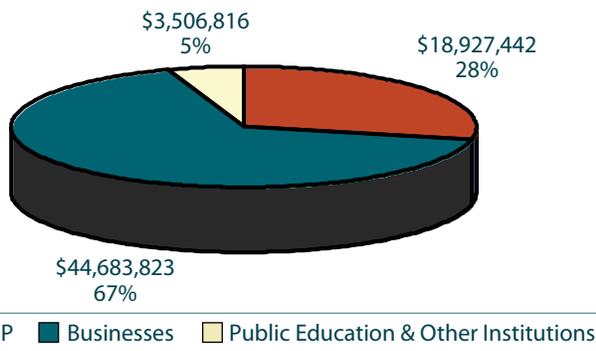
**Minnesota Job Skills Partnership Program Appropriations (millions)**



## Minnesota Job Skills Partnership Project Funding Sources

For Partnership, Pathways, and Health Care and Human Services grants completed in FY06-FY08, contributions from businesses were more than twice that provided by MJSP.

**Completed Projects FY06-FY08**

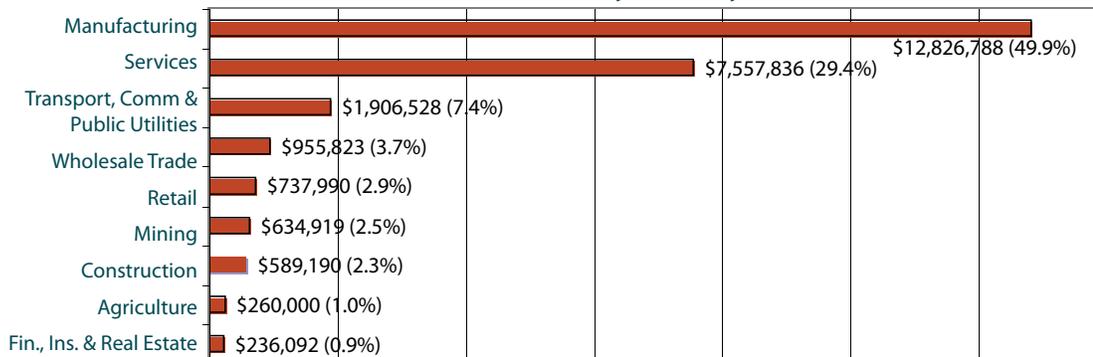


- A total of 178 businesses contributed to the 126 projects completed from FY06-FY08. The average business contribution per project was \$354,634.
- Nineteen of the projects completed in FY06-FY08 involved consortiums of businesses, which allowed them to pool their resources to provide training.
- For the 47 projects completed in FY08, a total of 67 businesses contributed an average of \$317,384 per project.
- The average MJSP grant expenditure for projects completed in FY06-FY08 was \$150,218. For projects completed in FY08, the average was \$161,845.

## Minnesota Job Skills Partnership Awards by Industry

Of the grants awarded in FY06-FY08, Minnesota businesses in the manufacturing industry received the largest amount of MJSP awards, enabling the industry to improve skill levels and increase competitiveness.

**MJSP Awards by Industry, FY06-FY08**



- Of the \$7.6 million in grant awards for the services industry, \$6.4 million (84 percent) went toward the health care industry.
- Approximately \$3.1 million (12 percent) went to bioscience businesses.

## Benefits to Businesses

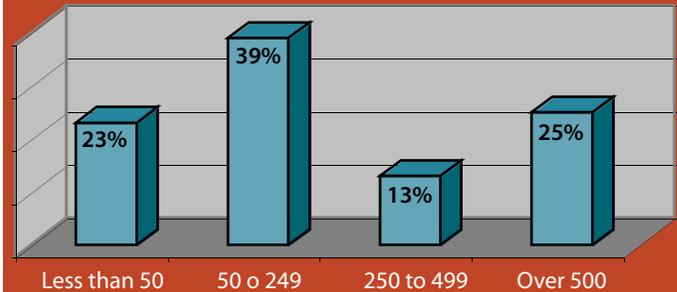
Grants awarded by the Partnership have effectively and efficiently assisted Minnesota businesses.

As Minnesota experiences a rapidly changing economy, attention must be given to the changing skill needs of Minnesota employers. Partnership grants have assisted businesses and industries that are expanding and are in need of additional skilled workers, and to industries whose current workers need new skills due to changing technologies.

Reviva is on its way to becoming a world class manufacturing company thanks in large part to the training we have received through the MJSP grant program. Our employees have learned how to approach their work with a focus on safety, teamwork, continuous improvement and perfect quality. As importantly, the training has helped us develop a voice of the customer strategy resulting in a true competitive advantage and sustainable, bright future for our company.

— Duane Wanner, Chief Operating Officer  
Reviva, Minneapolis

### Size of Business by Employment, FY06-FY08



MJSP is committed to small-business growth. Of the businesses involved in MJSP projects awarded in FY06-FY08, three-fourths reported employment size of less than 500 employees.

Assurance Manufacturing is a precision stamping and sheet metal fabrication company located in Coon Rapids. Our company will celebrate its 45th year in business in 2009. Assurance, along with other manufacturing companies in the state, has seen jobs go to lower cost countries. World competition required us to change our current manufacturing methods.

We had tried three times to change our manufacturing layout and we could not get beyond the yellow "stickums." We needed to change to keep our labor rates competitive. We also knew we needed help from the outside. If it hadn't been for the Minnesota Job Skills Partnership Grant and Pine Technical College, we would not have been able to make these improvements. This training was phenomenal and has more than exceeded our expectations.

— Herb Lindberg, President  
Assurance Manufacturing Inc., Coon Rapids

The Minnesota Job Skills Partnership grant has enabled SUPERVALU to partner with Concordia University to provide a multi-tiered educational program specific to the food industry that will benefit not only students considering careers for the first time but also people who currently work in grocery retail, wholesale and manufacturing who are seeking opportunities to round out their experience with a tailored educational degree. We are excited about the potential of this innovative program that provides a comprehensive understanding of our dynamic industry.

— Christine Walsh  
Director – Independent Marketing and Education  
SuperValu, Chanhassen

## Benefits to Trainees

Part of MJSP's mission is to provide employees with access to training programs so that they are better prepared to adapt to a changing economy.

Completed Projects FY06-FY08		
	Proposed	Actual
Number of Trainees	38,175	40,253
Avg. MJSP Cost Per Trainee	\$689	\$470
Completed Projects FY08		
	Proposed	Actual
Number of Trainees	16,197	18,101
Avg. MJSP Cost Per Trainee	\$667	\$420
Projects Funded in FY08		
	Proposed	
Number of Trainees	9,936	
Avg. MJSP Cost Per Trainee	\$808	

- The average wage of placed or trained trainees in projects completed in FY06-FY08 was \$21.42 per hour. The average wage for projects completed in FY08 was \$23.07.
- Fifty-seven percent of the projects ending in FY06-FY08 resulted in some type of credentials for the trainees.

The MJSP program significantly increased the computer skills of over 80 percent of the employees. The quality of our customer service continues to receive excellent ratings and the turnover has been significantly reduced from previous years. The most recent employee satisfaction results showed the employees are happier with their promotional opportunities and wages.

— Jean Ackermann  
 Manager, Operations Support  
 John's Auto Parts - Blaine, Minnesota

## Low Income Worker Training Program

For projects completed in FY06-FY08, MJSP invested \$3.1 million to provide training to 2,421 people through the Low Income Worker Training program.

- Eighty-two percent of the trainees completed training.
- Fifty-nine percent of the individuals who completed training were placed in jobs with an average wage of \$10.91 per hour.
- Seventy-four percent of the trainees were unemployed prior to training.
- Minorities made up 59 percent of the trainee population.
- Six percent of the trainees were individuals with disabilities.

For many years I have worked in the restaurant and hospitality business. Many establishments in this business have recently had to close their doors. For this reason, I have decided to make a career change to the health care field. This program has given me that opportunity. I have always had a compassion for the elderly and their needs, so I am looking forward to a career that will allow me to care for them. Although it may be difficult at times, I know I will find it rewarding.

Thanks again for this opportunity.

— Cathy Bates  
 Low Income Worker Training Program Participant  
 Anoka County Job Training Center/  
 Universal Health Care Worker Training Program

## Benefits to Educational Institutions

A goal of MJSP is to expand the capacity of Minnesota educational institutions to respond to rapidly changing business needs. MJSP has helped build capacity for highly sought after Lean Manufacturing and Lean Health Care training throughout the state. Other examples of new capacity developed through MJSP grants include an accelerated Bachelor of Science in Nursing degree program at Metro State University, a Railroad Conductor Certificate program at Dakota County Technical College, and several new courses for the Center for Automation and Motion Control at Alexandria Technical College.

- Forty-seven public education and other institutions across the state provided training resources to businesses through grants awarded from FY06-FY08.
- Sixty percent of the public education and other institutions involved in MJSP projects were located in Greater Minnesota.
- Seventy-two percent of the educational institutions involved in MJSP projects were community or technical colleges.
- Forty-seven percent of the projects completed in FY06-FY08 resulted in significant new capacity for the educational institution.

The MJSP IP Telephony Training grant has facilitated a partnership between the college and US Bank, Qwest, Thomson Reuters, Blue Cross Blue Shield of Minnesota, to develop and train employees in new technology that is critical for the success of these Minnesota businesses in a global economy.

The grant project also added capacity to the college by the development of this state of the art curriculum and purchase of new equipment for training labs. The college is now a valuable training resource for local technology companies and recognized nationally as the only two-year college with a comprehensive academic IP Telephony degree program.

— David W. Anderson  
Dean, Center for Professional and Workforce Development  
Inver Hills Community College



The MJSP grant provided the College of St. Catherine the opportunity to develop a curriculum allowing both baccalaureate and masters prepared physical therapists to transition to a Doctor of Physical Therapy degree. This additional education better prepares graduates to meet the ever changing health care system demands and promote patient/client health and wellness through the use of evidence-based practice.

— Debra Sellheim, PT, PhD, Associate Professor and Curriculum Co-Director Doctor of Physical Therapy Program, College of St. Catherine

At Concordia University, St. Paul, the MJSP grant has provided the opportunity to co-create a new Bachelor of Arts degree in the food industry. "This degree – one focused on food retail – is among the first of its kind in the nation," said Craig Lien, associate dean of cohort programs in the College of Business and Organizational Leadership. "The partnership enables us to reach a largely untapped education market that has already identified its need and has worked directly with Concordia to co-create a program that fulfills the need.

— Concordia University

Over 500 students have been enrolled in Anoka-Ramsey Community College's unique biomedical device industry education programs since the programs started in 1999. The programs, which include Biomedical Technician and Clinical Research Professional certificate programs, and an A.S. degree in Biomedical Technology, originated through the college's work with MJSP grant partner Possis Medical, Inc. Our ongoing work with grant partners in the medical device industry continues to expand our knowledge and expertise in the biosciences.

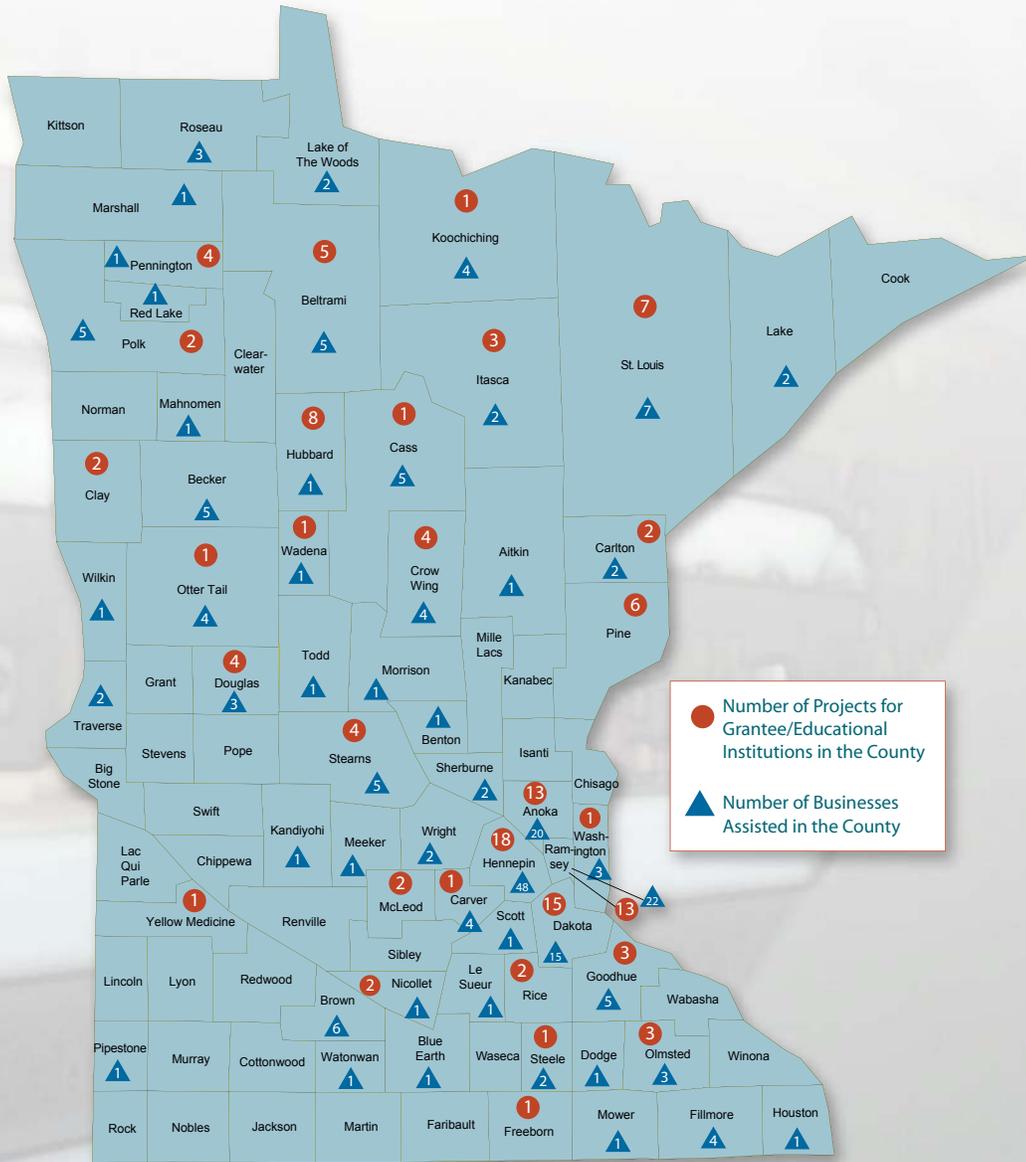
These partnerships provide us with valuable insights into this dynamic industry and bring practical industry applications into our courses and relevance for our students.

— Rosie Mortenson, Dean, Continuing Education and Customized Training, Anoka-Ramsey Community College

# Minnesota Job Skills Partnership

## Projects Awarded FY2006-FY2008

MJSP is committed to the entire state of Minnesota. Of the businesses involved in MJSP projects awarded in FY06-FY08, 48 percent were located in Greater Minnesota and 52 percent in the Twin Cities metro area. In comparison, according to the Minnesota Department of Employment and Economic Development Labor Market Information for 2007, 52 percent of Minnesota's private businesses and 62 percent of the state's jobs are in the metro area.



1st National Bank Building • 332 Minnesota Street, Suite E200 • Saint Paul, MN 55101-1351 USA  
 Phone: 651.259.7114, 800.657.3858 • TTY/TDD: 651.296.3900, 800.657.3973  
[www.PositivelyMinnesota.com](http://www.PositivelyMinnesota.com)