



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

### **FY 2009 Performance Report**

Report to the Legislature  
as required by Minn. Stat. 116L.18, Subd. 6

February 11, 2010  
Author: Jodie Greising  
Minnesota Department of Employment and Economic Development

Total cost of salaries, printing, and supplies in  
developing/preparing this report is \$1,540.00  
(reported as required by Minn. Stat. 3.197)

**Minnesota Job Skills Partnership  
Special Incumbent Worker Training Program  
FY 2009 Performance Report**

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 increases.

The Special Incumbent Worker Training Program was created by the 2005 Legislature for the purpose of expanding opportunities for businesses and workers to gain new skills that are in demand in the Minnesota economy. Grants of up to \$400,000 are awarded to state or local units of government (including MnSCU institutions), nonprofit organizations, community action agencies, business organizations or associations, or labor organizations with businesses and accredited Minnesota educational institutions as partners. Businesses are required to match grants on a 1:1 basis through cash or in-kind contributions. Special Incumbent Worker Training Program grants are funded through Workforce Development Funds. Grants are paid on a reimbursement basis based on actual activity.

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. Out of the eight grants awarded, seven were still active during fiscal year 2009. Following is a brief summary of each of the grants active during fiscal year 2009 and the results as of June 30, 2009.

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

**Participating Businesses:** BlueCross BlueShield, Qwest Communications, Technology Management Corp., TelEd, Inc., 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 was 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 were to receive the training needed to help the businesses stay ahead of the competitive curve in this emerging technology. The curriculum included courses developed through a previous MJSP grant as well as some courses that were newly developed. The courses provided included: IP Telephony Orientation, IP Telephony Foundation, Enterprise Planning & Design, Quality of Service, IP Telephony Cisco Integration I, IP Telephony Cisco Integration II, and IP Telephony Security. This project placed the Center for Strategic Information Technology & Security on the leading edge nationally as a provider of this type of IP Telephony training and has positioned them to meet the training needs of businesses as the expected demand for this

technology continues to grow.

**Status:** As of June 30, 2009, 80 employees had received and completed training. One employee terminated employment after the completion of training. The time it took to complete training ranged from two weeks 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 trainees on an average of 5.4% (an average increase of \$1.48 per hour). Wages before training averaged \$28.17 per hour and wages upon completion averaged \$29.65 per hour.

Although the project was scheduled to end on October 31, 2009, all training had been completed by June 30, 2009. As such, trainee data remained unchanged from June 2009 to October 2009. The grantee noted that although the number of trainees fell below the planned number of trainees, that these numbers did not reflect students who took the developed courses through Inver Hills Community College's Network Technology Degree Program, those who have taken the courses through other academic institutions that have adopted the curriculum, or employees of Minnesota companies outside of the grant partners who have taken the courses.

Based on course surveys completed by the trainees, overall, they were satisfied with the training they received and they believe the training is relevant to their job or career goals. The trainees benefited 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 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.

Of the \$243,310 awarded, \$194,940 was expended. The remaining amount will be returned to the Workforce Development Fund.

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

**Participating Businesses:** SuperValu, US Foodservice, North Star Foods, SYSCO Minnesota, USF Holland, Griggs Cooper & Co., Kraft Foods, CertainTeed, and Falk Paper.

**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 was intended to address a critical shortage of truck drivers due to mass retirements and an unprecedented growth in the volume of shipments. Dakota County Technical College delivered truck driver training and testing to a total of 140 individuals, selected from the businesses or recruited through community linkages. In addition to the Commercial Drivers License (CDL) training, which was intended to attract new workers to truck driving careers, customized curriculum was developed specifically for each business to develop a model for advancing individuals already employed in the transportation industry. Retention services helped ensure that new drivers remain in their positions. This project helped the business partners meet their existing deficit for new drivers and provided opportunities for job advancement and increased wages for employees. It was also used as a layoff diversion for SuperValu warehouse workers who were re-trained as CDL drivers.

**Status:** As of the conclusion of the project on February 28, 2009, 140 individuals had received

training. This number was slightly below the planned number of 159 trainees due to some difficulties in recruiting workers for training early in the project and one employer, Midwest Coca-Cola, dropping from the project.

Of those who received training, 137 completed training and three had dropped out of training. Ninety-one trainees completed the full CDL program and received their Class A CDL. Forty-six trainees, who already had their Class A CDL, completed specialized training courses specific to their employers needs.

Twenty-two of the trainees moved up into Driver positions from other occupations after approximately one month of training. Seventeen of these individuals moved from Warehouse positions with an average wage of \$20.11 per hour into Driver positions with an average wage of \$21.48 per hour, seven of which were SuperValu employees who would have been laid off had they not been retrained as drivers. The remaining five individuals moved from jobs with an average wage of \$12.62 per hour.

Eighty-eight of the trainees were already employed as Drivers prior to participating in training with wages averaging \$20.94 per hour. These individuals received advanced training to upgrade from Class B licenses or to achieve special endorsements on their license. Ten of these individuals received wage increases ranging from \$.18 to \$8.65 per hour.

Twenty-two of the trainees are still employed in other occupations, most of which appear to require some driving. Eight of these individuals received wage increases ranging from \$.33 to \$7.90 per hour.

Overall, thirty-six individuals received wage increases with an average increase of \$2.42 per hour (a 13.5% increase for those who received wage increases).

Four trainees who were awaiting placement as Drivers were laid-off from their previous jobs which were unrelated to the transportation industry. One individual quit their job as a warehouse worker.

All of the participating employers expressed satisfaction with the program and the training received.

Of the \$400,000 awarded, \$373,892 was expended. The remaining amount will be returned to the Workforce Development Fund.

**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% had limited or non-English speaking skills. Pine Technical College and Deli Express partnered to develop and provide training that would address production problems that had 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 to be 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:** 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 company noted that several of the employees continuing training through December 2008 had been placed in management/supervisory positions for which they were not prepared and this training resulted in those employees retaining their jobs.

All trainees who have completed training received wage increases of approximately 3.5% (an average increase of \$.42 per hour). Wages before training averaged \$12.04 per hour for this group. Wages after training averaged \$12.46 per hour.

The Virtual Reality simulators were not developed as the company determined the simulations would not meet their needs. As such, Territory Sales Merchandisers did not receive Virtual Store training, resulting in fewer trainees than planned. The Functional Workplace English training was still provided although through an instructor led course rather than a virtual reality simulator. 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 was 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 and Contamination, Root Cause Analysis, Oil Analysis, Machine Operation, Assembly, Quality Mapping, etc. Through this collaboration, each school gained technical expertise by sharing valuable resources and expanded capacity in precision machining.

**Status:** As of the conclusion of the project on October 31, 2008, 96 employees had received training. The number of trainees fell below the projected number due to a decision by the company not to relocate some jobs from a North Dakota facility to Minnesota as previously planned.

Eighty-seven of the trainees completed training and nine had terminated employment. Five of the trainees were promoted to work leads and six were 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 company indicated several other 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 was returned to the Workforce Development Fund.

**Training Provider:** Riverland Community College

**Participating Business:** Viracon

**Project Period:** June 27, 2006 – June 30, 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 partnered to develop an "Employer of Opportunity" program designed to expand promotional opportunities for minority employees. Employees were to move through a three-phased program focusing on recruiting minority employees. Phase I, *Recruitment & Assessment* consisted of activities surrounding promotion, recruitment and assessment of skills, and support initiatives. Phase II, *Fundamental Skills Training*, included language and academic abilities assessments, and skill-improving courses, such as English Language Learner (ELL), Basic Math and English. Phase II also included short-term skills training to provide participants the opportunity to acquire skills in areas such as welding or forklift driving, and a "Study Skills/College Readiness" course to help prepare trainees to move into the development opportunities of Phase III, *Technical Skills Training*. Phase III was to include college-level courses such as Supervisory Management, established liberal arts courses and on-campus occupational programs such as Industrial Maintenance or Electrician. Through the training program, the company expected to help 200 Viracon employees acquire language, academic and technical skills needed for increased promotional opportunities within the company. The project was expected to result in a model that could 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. Manufacturing Skills Standards Council (MSSC) curriculum in the areas of Safety, Maintenance, Quality and Continuous Improvement, and Manufacturing Process and Production had been developed as part of the Production Technician certificate to enable trainees to pass the nationally recognized MSSC certification exams for each level.

Training began in September 2007. As of June 30, 2009, 254 individuals had received training. However, in 2008 the company was beginning to experience the impact of the economic downturn. As a result, 103 of the trainees have been laid-off. Due to the economy and the resulting changes in the work environment at Viracon, additional project activities were put on hold in early 2009 and the project was effectively ended on June 30, 2009. The project was originally scheduled to end October 31, 2009. While none of the trainees completed the full course of training planned, trainees did receive various levels of ELL and fundamental skills training under Phase II of the project. Three of the trainees are currently participating in Phase III pursuing an AA degree in Liberal Arts sponsored by Viracon.

Although training was not completed, wage increases were reported for 130 of the individuals who had received training. Wages for this group averaged \$11.91 per hour before training and \$13.67 per hour after training. This represents an average increase in wages of 14.8% (\$1.76 per hour). Of the individuals who received wage increases, 82 were promoted to higher paying positions. For this group, wages averaged \$11.73 per hour before training and \$13.67 per hour after training, which represents an increase of 16.5% (\$1.94 per hour).

Of the \$284,164 awarded, \$124,587 had been expended. The remaining amount will be 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 Skills 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.

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.

Overall the businesses were fairly satisfied with the training received. One business indicated there were some issues with the coordination of the project and the quality of the curriculum early on. However, they noted that improvements had been made.

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 was returned to the Workforce Development Fund.

**Grantee:** Northwest Private Industry Provider

**Training Provider:** Pine Technical College

**Participating Business:** Marvin Windows & Doors, Polaris Industries, ANI Pharmaceutical

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

**Award Amount:** \$352,993

**Project Summary:** This project involves Pine Technical College (PTC), five local K-12 school districts and three participating businesses. As of the beginning of the project, each company was 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 was anticipated that a total of 400 individuals would receive training, including an estimated 30 high school students who had 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, 2009, 487 employees from Marvin Windows had started training. None of the participants have yet completed training.

While all three companies participated in creating Manufacturing Careers curriculum which has been shared with local high schools, participation in the project has been negatively affected by the economy. Lay-offs have occurred at both Polaris and ANI Pharmaceuticals. As a result, ANI Pharmaceuticals has not been able to create and participate in company specific training and has recently opted to withdraw from the project. ANI Pharmaceuticals had planned to train 40 employees. Company specific curriculum had been developed for Polaris and some employees did receive training during 2008 and 2009. Training for Polaris was done in-house by Polaris instructors and they have not reported on the number of employees who



have benefitted from the training. They had planned to train six people per year over three years and the coordinator at Pine Technical College believes they have met or exceeded that number. At this time, Polaris feels that their training needs have been met through this and other projects and therefore, they are no longer participating in the project. Marvin Windows has not laid-off any employees, but have reduced hours. They are currently participating in company specific and core skills training activities and have actually trained more employees than originally planned. Due to the economy none of the businesses have participated in the job shadowing and internship component of the project.

As of October 31, 2009, 487 Marvin Windows employees were still participating in company specific and manufacturing core skills training. The project is scheduled to end on February 28, 2011. MJSP staff continues to closely monitor the project to determine if an earlier end date is warranted.

**Special Incumbent Worker Training Program  
Trainee Data as of June 30, 2009 and October 31, 2009**

The following chart indicates performance as of June 30, 2009 and October 31, 2009. 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.

<b>Project Name</b>	<b>End Date</b>	<b>Planned Number of Trainees</b>	<b>Status As of</b>	<b>Number Started Training</b>	<b>Number Completed Training</b>	<b>Number Retained</b>	<b>Number Promoted (of those who completed training)</b>	<b>Number of Wage Increases (of those who completed training)</b>	<b>Average Wage Increase (of those who completed training)</b>
Inver Hills CC/IP Telephony Training	10/31/09	110	6/30/09	69	46	68	0	46	\$1.64 (4.7%)
			10/31/09	79	79	78	0	78	\$1.36 (4.8%)
MN Teamsters/Truck Driver Training	2/28/09	159	2/28/09	140	137	132	22	36	\$2.42 (13.5%)
Pine TC/Deli Express	10/31/08	571	10/31/08	439	343	431	0	341	\$.42 (3.5%)
Pine TC/Reviva	10/31/08	172	10/31/08	96	87	87	11	66	\$1.41 (6.7%)
Riverland/Viracon	6/30/09	200	6/30/09	254	0	151	82	130	\$1.76 (14.8%)
Northland CTC/ Alex. TC/Henn. TC/ Mfg. Consort.	10/31/08	140	10/31/08	70	70	70	0	0	0
NW PIC/Mfg. Consort.	2/28/11	400	6/30/09	487	0	487	-	-	-
			10/31/09	487	0	487	-	-	-