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Division of Workforce Development

Mark Bauer, Exec. Director  
Missouri Workforce Development Board

William L. Skains Jr., Chair  
Missouri Workforce Development Board

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**Missouri Workforce Development Board Executive Committee  
Meeting Agenda**  
February 14, 2019  
1:00 p.m. to 2:00 p.m.  
Conference call line: 650-479-3207  
Access number: 805 405 540

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A. Call to Order and Welcome  
Meeting Start Time 1:05pm

Chairman William "Bill" Skains

B. Roll Call

Debra Lee

Present on the conference call:

William Skains – Chair, Len Toenjes – Vice Chair, Herb Dankert, Don Cook, John Gaal, Ray Tubaugh, Ronda Anderson, Alan Spell, Dave Overfelt, Mark Bauer, Melissa Woltkamp, Dennis Hall, Debra Lee.  
No other callers were present.

Absent: Jeanette Hernandez-Prenger

C. Follow-up discussion from January 31, 2019  
(additional key performance indicators)

Executive Committee Members

Chairman Skains recapped the purpose of the meeting as follow-up to the January 31<sup>st</sup>, 2019 MOWDB Board meeting CWRC presentation and NCRC discussion about evaluation of the program, efficiency, and key performance indicators.

Mark Bauer opened the discussion. Per the request of Len Toenjes, this discussion is to address additional key performance indicators that might be appropriate for the workforce system in addition to the 6 required WIOA performance measures:

- Employment after 2<sup>nd</sup> quarter after exit
- Employment after 4<sup>th</sup> quarter after exit
- Median earnings 2<sup>nd</sup> quarter after exit
- Credential attainment rate
- Measurable skill gains
- Effectiveness in serving employers

Mark acknowledged the question from Ray Tubaugh at the January 31<sup>st</sup> meeting regarding the ACT and the products available to make sure a community is work ready certified. He also mentioned that at this time the ACT products are the only products in the certification of work ready communities.

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Mr. Skains recognized Ray Tubaugh and asked him to summarize concerns he expressed at the end of the discussion during the MOWDB Meeting. Ray Tubaugh reference the follow-up email sent from Debra Lee, February 4, 2019 and the attached report. [ACT Research Project - Evaluating the ACT NCRC as a Signal of the Skills Needed for Labor Market and Educational Success in Missouri](#) explores the outcomes of individuals by NCRC levels. The technical brief is linked.

Ray Tubaugh pointed to the example of Crowder College. They are saturated with students. Arvest Bank provided a donation to support an additional welding instructor. The new instructor's courses filled immediately. They need help with teachers. No more students. They need direction. It is important to know from ACT what the test does for communities and students not what it says in numbers. The test identifies what students are good at that they don't realize, and things that they thought they were good at and dream of doing, but were not.

Len Toenjes said the board would like to look at the value received from the CWRC project. It would be beneficial to know what the ACT WorkKeys assessment translates into as far as participant pay. He understands that having the workready communities makes the state look better overall to the outside world, but are the time and resources having the intended results? We need to understand if the hard work paid off or not.

Ray Tubaugh pointed to the bronze, silver, gold and platinum levels are outlined in the report. It has been found that post-test is worth about \$1000 more per quarter. Alan Spell pointed out there is a correlation between higher pay and those that pass the higher level of the NCRC. However the test is not the causation, but rather the test may be interpreted that if a jobseeker took the test and scored high in one of the levels then it is a signal that they have higher skills leading to higher pay.

Job profiling and assessments are proven tools for filling large numbers of vacancies in record time. Ray shared the case study on the report delivered by Mark Bauer. It gave the example of Subaru of Indiana hiring 1100 new jobs out of 22, 000 applicants in record time and recommended utilizing workforce to promote the message to the employers recommending using NCRC assessments and job profiling. He also pointed to the reduction in turnover that translates into real dollars for companies.

Bill Skains questioned whether companies coming into an area are using the CWRC and NCRC tools to recruit or is the certification just being used as a data point. His second question pertained to the companies utilizing NCRC. Of those companies hiring the higher scoring applicants, then what is happening with the lower scoring applicants? Are they being remediated? There have also been questions as to the ramifications and legal consequences of using the system.

Melissa Woltkamp answered the question pertaining to remediation. The participant that comes into the job center and doesn't score the highest level, they have the opportunity to improve their score and remediation is available to them. It can be accessed at any internet point including cell phones. Just because you do not score high does not mean you won't improve. This is an opportunity to build job skills and continual learn. It is application of knowledge into job skills and everyone has the opportunity to improve.

Alan Spell gave a brief explanation of the data from more than 600 employers in the survey. He said survey asked several questions about the value of the NCRC to employers and it showed that they strongly agree to agree mostly that they would recommend the NCRC to other businesses and that using it helps

them to find qualified employees. It signals that businesses value it. From the economic development side the communities use the CWRC as a promotional tool for their community.

Dave Overfelt commented on the communities having to parse out the value of having an NCRC in the mix of all the elements that go into recruiting businesses to a community. Alan agreed that there are not complete intake system to measure the impact of NCRC in the larger scheme of all the elements to measure for recruiting business.

Len Toenjes outlined the three entities involved in the process –chambers of commerce, certificate holders and businesses. All three are able to benefit from this but at this time the weakest link is communicating the value of NCRC to them. There is always room for improvement in any program, CWRC included. Does this mean a possible role of the board may to help the business community understand the value of the assessment tool? Dave Overfelt commented that there may be a role for the State Chamber as well.

While this is a cost to employers, sometimes the value of the certificate to participants is getting a foot in the door then often companies have their own internal metrics or method to measure an employee's growth, job performance or readiness to move up.

Bill Skains recognized that Missouri has put a lot of effort and investment behind ACT and it is a great tool but he asked the question, "Do we still think this is a very good product? Are we asking for too much out of a test that is not measuring job aptitude or soft skills? On page 11 of the survey report, 84% said they are no longer using the ACT tool for training and promotion purposes. What is the intent of this project? Who is it benefitting? What is the outcome we hope to achieve? Is the data the benefit?"

John Gaal reiterated the concern that a lot of businesses sign on, but how many a year later have continued to use it as either an entry level tool or a promotional tool? Dave Overfelt responded to the concern. If an employer is going to make it a requirement for part of their job, then the employer has to have the job profiled, which is a cost to the employer. Alan Spell added that once a person is hired on and working at the company, other tools are used to measure experience, attitude, work ethic, etc. to move up. The NCRC is a tool used to evaluate the qualified applicants, but once inside they use other measures of job performance to move up.

Alan Spell answered the question of how much it is being used. The certificate helps the jobseeker to acquire the job, but once in the door, job performance may be measured differently. It is a signal that the jobseeker is a qualified applicant. The company may have a different metric for measuring job performance, but it doesn't mean the NCRC is not good. The company may use personal performance on the job as a measurement or a variety of other factors. The question about how much employers are using it?

Bill Skains questioned the lawsuits that are coming up with several companies utilizing ACT and then going a different direction. Alan reiterated that the companies may use the ACT as a tool to select qualified applicants but once in the door they look at other measures besides credentialing (i.e. job performance, experience, attitude, work ethic, etc.). Bill asked again about the remediation for the lower scoring individuals and what is being done.

Melissa Woltkamp emphasized the work that is being done to help individuals that score lower. She said remediation is available at any time over the internet and cell on phones. They can take the test at any time.

Len Toenjes reviewed the importance of the ACT and great value of acquiring the NCRC certificate. When an employer reviews applications, typically the one with the certificate receives prominence over the one that does not have the certification. There was a question about the value after they are hired. Is the employer using the credential any further?

Melissa Woltkamp emphasized the importance of NCRC to employers. She said the NCRC, in some places, is taking the place of a high school diploma. It is important that the case managers work with the individuals to remediate the situation whether it is self-esteem or other job skills. It allows a person to continually improve and learn how to turn your education into job skills. It's something that no matter what level you are, you always have the opportunity to improve if you desire.

Mark Bauer followed up with an answer to Melissa Woltkamp's point about remediation and individuals that need additional attention. It is not just altruistic interest for the job centers to help these individuals. The locals are also held to performance measures that encourage assistance to reach desired outcomes.

Len Toenjes gave credit to ACT for an exemplary tool. He and the executive committee felt this tool makes the community feel good that they have it, the participant feels good that they have it to the certificate holder and community that is a CWRC. ACT, NCRC and CWRC are important items that should continue to be presented at the MOWDB meetings for further discussion and improvements.

Mark offered bringing it to TEAM and also the MOWDB members can bring it to local boards. Len Toenjes asked for the reports to be distributed to all of the MOWDB members.

Bill Skains emphasized that reviewing the work of CWRC program, NCRC and ACT is very necessary as a continual improvement process. It is to improve the value of what is received from ACT and not to criticize the program. Everyone felt the program, reports and the updates are important to evaluate the work and programs moving forward.

Len Toenjes commended the ACT reports. He thanked the staff at ACT that put the reports together. Alan Spell offered to relay the message to ACT researchers and ask them to continue and sharing the information with partners.

Bill Skains reiterated the request to have CWRC on the May agenda. Mark Bauer said we would be in full swing of the transition but we would add it to the May agenda.

Bill raised the question about earnings again. Dave Overfelt said the \$1000 is quarterly. Dave mentioned median family income across the US is around \$62,000 and for Missouri it is lower \$53,520. In general, increasing credentials is strongly correlated with increasing wages.

Bill Skains asked about the agenda item pertaining to key performance indicators. Mark commented that the key performance indicators are of continuing interest to the Division. DWD has complied with the law since 2015 in tracking the required performance measures but we may want to see other indicators of performance. Dave mentioned the dashboards other states are utilizing. Dave is looking for data and the graphs or charts that would be of interest and a good resource. Len endorsed the idea and suggested the

project move forward to give the Governor and other stakeholders valuable information. Dave suggested bringing this discussion to MOWDB with the subject matter experts. Mark requested that if there are additional factors that we should give consideration that we discuss it at the May meeting. Dave Overfelt is the strategy lead and will be instrumental in developing the dashboards. Mark mentioned the data sharing with other agencies and it is being integrated at this time.

Action items are as follows:

1. Distribute the ACT 2017 survey results and economic development solutions documents to local workforce directors. - Melissa Woltkamp
2. Coordinate as appropriate with ACT to update survey results and economic development solutions documents – Alan Spell
3. Continue dashboard research for consideration by MOWDB as appropriate – Dave Overfelt

Bill Skains asked for closing questions and comments. No comments were heard. Meeting adjourned.