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Governor
Robert B. Dixon
Director



Mardy Leathers, Director
Division of Workforce Development

Mark Bauer, Exec. Director
Missouri Workforce Development Board

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

Missouri Workforce Development Board Meeting Agenda

January 31, 2019

9:00 a.m. to 2:00 p.m.

Capitol Plaza Hotel

415 W. McCarty Street

Jefferson City, MO 65101

Members Present: Dan Atwill, John Fredrick (for Matt Aubuchon), Garland Barton, Cara Cannon, Pat Luebbering (for Steve Corsi), Herb Dankert, Rob Dixon, John Gaal, Tim Gaines, Spencer Clark (for Anna Hui), Kathy Lambert, Zora Mulligan, Michael Pantleo, Jeanette Prenger, William Skains, Todd Spencer, Leroy Stromberg, Josh Tennison, Cheryl Thruston, Len Toenjes, Ray Tubaugh, Mardy Leathers

Members or Representatives Absent: Don Cook (Proxy to Chair), Wayne Feuerborn (Proxy to Chair), Randall Williams

MOWDB Staff Present: Mark Bauer, Debra Lee, Dave Overfelt

Guest Attendees: Dennis Hall, Sheila Barton, Kim Hoehn, Linda Kirk, Scott Drachnik, Blaine Henningsen, Matt Hurley, Karla Houchins, Carmen May, Clinton Flowers, Greta Bax, Michelle Smart, Elizabeth Perkins, Ronda Anderson, Lisa Elrod, Alex Blackwell, Danielle Briot, Yvonne Wright, Julie Carter, Allyssa Miget, Diane Simbro, Sally Payne, Alan Spell, Jeanna Caldwell, Tracey Brown

Call to Order and Welcome: Chairman Skains called the meeting to order at 9:07 AM and welcomed everyone.

Roll Call: Debra Lee called roll and declared a quorum.

Approval of Board Minutes from November 14th, 2018*: With no corrections requested to the attendee list, Ray Tubaugh moved to approve the minutes, Kathy Lambert and John Gaal seconded and the motion carried unanimously.

CWRC Recognition, Melissa Woltkamp: Melissa announced there are currently 99 counties participating. Since the group last convened, five counties have come on board. They include Caldwell, Clinton, DeKalb, Wright, and Oregon. There are presently a total of 75 certified counties (this includes three newly certified counties – Monroe, Oregon, and Stone). At this point, 16 counties are not participating. Ray Tubaugh asked the question, "Is the process outdated? Why are they not participating?" The group discussed possible causes for counties who are not participating. Melissa stated that some of the counties simply claim they do not see the benefit. Others are actively engaged and are building their communities locally and working on their goals in order to become certified.

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Ronda Anderson and her team recently conducted a study in collaboration with ACT®, where they looked at completers and the different National Career Readiness Certificate (NCRC) levels. The study details can be found on ACT®'s website. She shared the link to the technical brief that provides a short summary – [ACT Research Project](#) --- *Evaluating the ACT NCRC as a Signal of the Skills Needed for Labor Market and Educational Success in Missouri* and explores the outcomes of individuals by NCRC levels.

Sally Payne brought up the fact that there is a cost to the employers, which may be a barrier, though most of the group would agree that turnover is the highest cost to employers.

Herb Dankert reported his plant has resorted to using temporary employment staffing companies. He is looking for unskilled workers to staff his plant. He needs 120 employees on a four shift operation. It is 24/7, and 12 hour shifts. His company has adopted a virtual reality method to train their staff. This has saved his company about three training hours but still employees are dropping off at an alarming rate. This has been a historical problem Herb has struggled with for 17 years.

John Gaal addressed the issue from an industry standpoint, stating all trades rely on this tool in the pre-apprenticeship program, the Building Union Diversity (BUD) program, etc. Without these, there would not be a common language for all of the 15 programs to agree to some basic metric to attract people. John expressed gratitude to Michael Ravenscraft for seeing the value in an assessment tool that is allowing a vast majority of kids to go to work. They pretest their youth so when they come to our door, they are ready to go to work. On a side note, John mentioned some significant changes in the assessments within the last year, which he thinks may have attributed to some confusion and trust in the marketplace.

Mardy Leathers remarked this is the most robust CWRC discussion he has engaged in. He thanked the group for their passion, as he thinks it is very apparent and important. Mardy agreed with Dr. Gaal regarding the disruption in the market due to the changes ACT® implemented about two years ago. He feels the changes disfranchised a lot of people and this challenge is ongoing. Even though the updates were beyond Missouri's control, it is the reality that we are faced with. Mardy disclosed general revenue only funds \$100,000 per year to pay for the test for students under 18 years of age. The DWD receives over \$400,000 a year for test applications, but are only able to fund \$100,000. So the reality is there are not enough funds for each and every applicant. DWD does leverage their federal public workforce dollars for the 18 and over crowd, so this grants them more opportunities. He agrees there is still much more work to be done to articulate the value of proposition of these programs.

John Fredrick, who represents Boeing, reiterated his statement from the meeting last May that they have hundreds and hundreds and hundreds of job openings. To the credit of the St. Louis Workforce Development Board (Michelle Smart's Team) folks walk in and get a job at Boeing. Boeing is heavily invested with launch code, which is targeting young folks if they have the skill and interest, but may not have a four year degree. When you get a job at Boeing, you have access to get a four year degree fully paid for if your field of study is business related.

Vice Chairman Len Toenjes stated he would like to see MERIC and the group work together to conduct an analysis of job placements and certifications.

Chairman Bill Skains thanked the group for their comments and suggestions. He stated he wants to see this topic on future agendas and minutes, and ensure it is extenuated and not compartmentalized.

Registered Apprenticeship Program Update, Jeanna Caldwell/Julie Carter: Jeanne Caldwell, Apprenticeship Coordinator, presented the statistics of the Missouri Registered Apprenticeship Program (MORAP). She has been with this program since its inception in 2016, when the state was awarded a grant called Apprenticeship USA. The grant allowed for DWD to kick start the expansion of registered apprenticeships, which continues to expand and be vested. It is important to Jeanna because when she began her career in workforce development and worked in the job center, she noticed a trend where job center staff and employers were not able to communicate efficiently using terminology that they both understood or that terminology had dual meanings.

Registered apprenticeship is a talent management system that helps us prepare and have a plan of action. It is allowing DWD to create career pipelines that have not been possible before. The engagement of workforce development has allowed DWD to serve the populations that are the most underserved and the hardest to employ and train. Since October 2016, 43% of all new programs are a direct result of the DWD Registered Apprenticeship expansion. Missouri hosted 116 apprenticeship events during National Apprenticeship Week in 2018.

Chairman Skains posed the question: Is our discussion today going to be about how this is being pressed into the K-12 system so seniors who graduate early can be harvested? Jeanna assured him and the group a partnership is in place.

Ray mentioned the National Rural Water Association (NRWA) has an apprenticeship program in all states. The program started in Sacramento, California, who is known for having the best water system. They designed a wastewater treatment program for rural water. You can read more about their apprenticeship program by clicking on the link: <https://nrwa.org/initiatives/apprenticeship-program/>. Jeanna reported there is a registered apprenticeship program with the Missouri Rural Water Association. They are recruiting for two occupations and it is available to the municipalities across the state.

The financial sources for Registered Apprenticeships are grants and Federal Workforce Investment Opportunity Act (WIOA) funds. In 2017, the governor designated \$3.1 million of WIOA's 15% discretionary dollars to pilot apprenticeship programs. DWD has invested \$10 million in Apprenticeship Programs and related infrastructure.

Missouri has created 64 new registered apprenticeships programs in Fiscal Year (FY) 2018 (which is 20 more than the previous year). The state currently has over 14,000 active apprentices enrolled in 451 programs. Nontraditional skilled occupations are the primary focus. Missouri is in the top three states among apprenticeship completers with 2,436; California with 5,538, and Indiana with 3,342.

The average age for an apprentice is 26 with some type of degree, Jeanna reported. She went on to say one of the great things about the way Missouri is dealing with registered apprenticeships is the ability to utilize intermediaries. DWD is working closely with the United States Department of Labor (USDOL), Department of Elementary and Secondary Education (DESE), the Department of Corrections (DOC), the Missouri College System, and the biggest partner, which are employers who are driving the demand and advocating for skilled labor. They are very helpful in determining whether an apprentice is in need of supportive services.

In FY19, Quarter 1 – 2,746 new apprenticeships were added in Missouri. Of those, 1,379 were added due to the DWD expansion. 51% came from non-traditional occupations through the DWD initiatives

(Healthcare, Manufacturing, Law Enforcement), the remaining were traditional/construction occupation apprentices.

Leroy Stromberg inquired about training. Jeanna explained programs vary in length, and are determined on the number of hours that are required to meet the standards that result in a USDOL certificate. Mardy Leathers commented that as a state, DWD is not writing curriculum and delivering the training. They are convening, setting policy, and funding these projects. The delivery occurs at the local level. Chairman Skains asked if we [the Board] are on target, plan wise; are we ahead of the game; penetration with employers, etc. He reminded the group that the employment training field is slow getting things implemented because the Board is somewhat bureaucratic. Mardy Leathers stated we are ahead, and the data supports this. He also credited the local partners who rose to the occasion and embraced apprenticeships and work-based learning. Mardy Leathers credited Dr. Oscar Carter who has been instrumental at the K-12 level to promote expansion and grow apprenticeships.

DWD has asked the Governor to consider action to formalize apprenticeships and create a statewide Office of Apprenticeship and Work-Based Learning in the state of Missouri, which would establish an interagency council and build strong pipelines to youth apprenticeships, which is relatively new. The Office of Apprenticeship has minimum standards that the industry sets at the national level for each one of the 1,200 occupations.

John Gaal thanked Mardy Leathers for leading the pack on this frontier, and for using the operative word “registered”. He stated there are a lot of phony programs out there stamping the title “Apprenticeship” on their programs. John Gaal also referenced Dr. Carter, who has led the way and understands the value of where our focus need to be, which is K-12. Mardy Leathers indicated the federal government is trying to identify opportunities for Industry Recognized Apprenticeship Program (IRAP). He stated Missouri will position itself to maintain quality standards. Chairman Skains wants this topic to stay on the agenda for future discussion.

Change in Schedule: Best in the Midwest presentation to take place before lunch.

Best in Midwest and Talent for Tomorrow, Zora Mulligan, Commissioner of Higher Education, Rob Dixon, Director of Department of Economic Development, Mardy Leathers, Director of Division of Workforce Development: Director Dixon recalled early conversations with the board in 2018, where he presented some challenges facing our state’s citizens and growth. He was thrilled to be back to discuss some solutions. The Governor outlined a wide variety of proposals in his recent Executive Order (Click to open link): <https://www.sos.mo.gov/library/reference/orders/2019/eo3>. Rob reminded the group that if you have ever heard the Governor talk, you have heard him talk about workforce development and infrastructure. Part of his plan includes some structural changes within state government. Changes involve some modifications in funding and some variations in programs. Commissioner Mulligan explained the changes announced in the State of the State and the day after are grounded in the recognition that Missouri is not performing as well economically as it needs to be, and our citizens, as a result, are not living life as successfully as they could. She indicated the recommendations will make significant investments. An adult financial aid program would be a game changer. Zora Mulligan commented it is about a \$22 million dollar recommendation, and it is in the Governor’s budget. She reported there is also funding for new workforce enhancement programs. Part of the Governor’s vision is to move DWD, which has been under the Department of Economic Development (DED), into the Department of Higher Education (DHE). Zora Mulligan concluded there is quite a bit of overlap, which led to this determination. This action will result in one department that oversees programs and initiatives that

will help people get a better job and live a better life. In addition, the Missouri Economic Research and Information (MERIC) will become part of the DHE. The combination of their research abilities with the DHE's research capabilities and those that exist within DWD present an opportunity to be among the nation's best state in terms of understanding the labor market and overall economic trends.

Another effort supporting synergy is to bring all of our communication teams together and share resources, and also think about a more comprehensive and open-minded way of communicating with people about their options after high school. The reality is there is a large population of Missourians who do not have the option to go on to higher education. Commissioner Mulligan wants her new team to create and focus on a way to present the many good choices to these folks and show them the wide range of opportunities from apprenticeships to short term training programs at the sub-degree level.

Many other states have good programs for adults, but they really focus on just an associate's degree or certificates. The Governor recognizes that we have a diverse set of needs and our response will really make Missouri stand out. The General Assembly has 60 days to consider the order and to approve or reject the order.

Rob Dixon pointed out that while these two divisions are moving under DHE, they will continue to work closely, together, hand in hand, day to day. DED's plan is to be laser focused on business and community development, while keeping a piece of the workforce development functions that connect directly with the business community. The Customized Training Program will stay at DED. Rob Dixon went on to explain the core of the new strategy revolves around the different regions in Missouri. The reality is that economic development decisions are influenced and driven by what is happening at the local level, at the city level, at the community level, at the regional level, so this will allow them to adapt and work more efficiently with community partners, which includes the local workforce development boards. Director Dixon stated that there will be a shift from DED being organized around programs to DED arranged around the customers that are served; businesses, regions, and communities.

Zora Mulligan added the combination of DHE, DWD and MERIC makes perfect sense because DHE has spent the last ten years working with the public colleges and universities around the state to improve performance and, particularly, graduation rates. Even though we are not directly in control of local boards which are governed by others, we are able to partner with them through the use of accurate data in helping citizens understand that we have shared goals to substantially increase completion ratios.

Zora Mulligan feels there are some parallels to be drawn. She is aware performance is an important part of the conversation. The model she would like to build on is continuing to serve our customers better. She is hopeful DHE will be a much more integrated department moving forward. Once we know the fate of the Executive Orders, the plan is to work with an external firm to talk to stakeholders on all sides of this issue to develop a shared mission and use that mission as the idea around which we organize the new department. Zora Mulligan expressed her positive excitement about the transition.

Lunch: Dave Overfelt announced the break for lunch at 12:10 PM.

Return from Lunch: Chairman Skains called the meeting back to order at 12:51 PM.

WIOA Performance Update, Clint Flowers: Clinton announced Future Work Systems is the contract vendor that provides DWD with software to track their program's performance. The data in Clinton's slide

deck comes from the Missouri Workforce Development Information System (WDIS) Dashboard. DWD is working jointly with VR and RSB on the first set of de-duplicated common measures called *Effectiveness in Serving Employers*. Details for this program can be found in Issuance 22-2017, and can be viewed at this link: https://jobs.mo.gov/sites/jobs/files/dwdissuance22-2017_040418.pdf.

Populations served include Adult, Dislocated Works, Youth, Veterans, Trade Assistance, and Labor Exchange Programs.

Clinton's presentation included provided an update on actual versus planned outcome levels for Adult, Dislocated Worker (DW), Youth, and Wagner-Peyser (WP) in Quarter 2 (Q2), Program Year (PY) 18. In the left column of the table are measures that compare actuals to the Workforce Board plan and the percent achieved. Green is 100% or greater; yellow is 90 – 100%; and red denotes 90% or below. Clinton explained credential attainment is a measure that is new in terms of its requirement across so many other programs. Under Workforce Investment Act (WIA), credential attainment was not an accountable measure for certain states including Missouri. Even though it was emphasized as very important, it was not reported to the federal government.

Clinton addressed a new initiative that deals with credential attainment. What is it? How do you train for it? What do you do to make it better? Missouri is one of the leading states around regions V and VI in terms of capturing measurable skills gain along with credential attainment in secondary school programs. In postsecondary school programs, all states are struggling because once students leave postsecondary training, it is difficult to track them. Missouri has a record of being very skilled at negotiating performance standards for earnings primarily because the nation sees us as a fairly low wage state. So when we go to the negotiation table, we generally have success at serving clients and placing them in good jobs.

Mardy Leathers commented that DWD is structurally realigning to prepare for the transition with DHE. This includes the creation of a Joint Task Force on Performance Funding Delivery with local partners. The group meets each month and is local driven. The target is to review how services are being delivered, how performance is being measured locally, and how well funds are being allocated.

In closing, Clinton stated earnings for every group are good. The best outcomes are in the DW Program. DW are skilled and previously productive workers. Credential attainment cohort continues to contribute to the greatest concern, Clinton noted.

Department of Corrections Partnership, Alex Blackwell, Director of Central Workforce Development Board and Jennifer Williams, Department of Corrections: Alex Blackwell is the Workforce Board Director for Central Missouri. She has 19 counties in her region. Alex introduced Jennifer Williams, Life Coach for Justice Involved Individuals (JII). These ladies started working with the DOC in the fall of 2015. They collaborated with State Technical College and the DOC to find a DOL TechHire, which is an H-1B grant opportunity. Alex reported that in 2016 the Missouri DOC recidivism rate was 43.9% and the unemployment rate was 4.3%. She proclaimed that Missouri has the eighth largest incarceration rate in the nation, and we have the first highest incarceration rate for females in the nation.

The DOL TechHire grant is \$2,765,300 (MoSTART Award), and the goal was to provide industrial, electricity, and maintenance training. Fifty percent of these individuals for the grant target are to be incarcerated, and the other fifty percent are disadvantaged youth, unemployed, and underemployed. Some of the grant funding was used to purchase a rolling unit that travels to Vandalia, Boonville, and

Algoa prisons. State Technical College received dollars that are actually contracted or given to the grant overseers to spend on On-The-Job Training (OJT) for training and support services for individuals.

Alex spoke of another opportunity where the Community Development Block Grant (CDBG), the Missouri DED, and the DOC collaborated to procure Caterpillar heavy equipment simulators that are located in the Boonville Correctional Center (BCC). They train 15 people at a time. It is about 300 hours of training, and it is a United States registered apprenticeship. The participants are carefully screened prior to being chosen for the class.

Alex explained that much of Jennifer's work is based around home planning. She helps them set up their home plan (where they will be released). Sometimes it is determined that justice involved individuals should not be released back to the area that they came from. So if there is another option, Jennifer assists them. Jennifer works with the transitional housing units, so she does not see the clients until they are at least six months prior to release. Housing is the biggest barrier we face because a lot of these customers have burned all their bridges, and have nowhere to go when they are released. Most transitional homes require clients to have money to get in, and most of the time they do not have money. Jennifer encourages them to start all over if they do not have family ties to a specific area. The grant helps with deposits, rent, transportation, employment, clothing, as well as obtaining a driver's license, birth certificate, social security cards, etc.

To date, 164 clients have been served. There are 79 enrolled in WIOA. The cost per inmate is approximately \$25,000 each year. Internet and other technology are not allowed inside the prisons, so all of the applications are paper based. Interviews via iPad are new and being held live in the Boonville Correctional Center with Emery Sapp & Sons, a large employer located in Columbia, Springfield, and Kansas City. Alex and her partners have recently started working with the Missouri Drug Courts. There are many other great success stories that Alex and Jennifer would be happy to share. Their contact information is in your packets.

Closing Remarks, Chairman Skains: A request was made from Vice Chairman Len Toenjes to assemble the Executive Committee members to continue discussion on data supporting the value of CWRCs. As a result the Executive Committee convened on February 14th to review related information and research. Also, Chairman Skains indicated MOWDB would like to have additional information on apprenticeships in future meetings. Mark Bauer shared the upcoming meeting schedule for 2019. The meeting dates are as follows:

January 31, Jefferson City (in-person)

May 23, Jefferson City (in-person)

September 4, St. Charles (in-person and in connection with the Governor's Department of Economic Development Conference)

November 13 (planned as a conference call at this time)

Motion to Adjourn: Chairman Skains announced the close of the meeting at 2:02 PM.

