

Michael L. Parson
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

September 5, 2018

8:00 AM to 11:45 PM

Kansas City Marriott

Truman A and B

200 W 12th St

Kansas City, MO 64105

Members Present: Dan Atwill, Garland Barton, Don Cook, Jr., Patrick Luebbering (for Dr. Steve Corsi), Herb Dankert, Rob Dixon, Wayne Feuerborn, John Gaal, Tim Gaines, Anna Hui, Kathy Lambert, Zora Mulligan, Mike Pantleo, Jeanette Prenger, William Skains, Jr., Todd Spencer, LeRoy Stromberg, Leonard Toenjes, Ray Tubaugh, Randall Williams

Members or Representatives Absent: Matthew Aubuchon, Steve Corsi, Birdie LeGrand, Josh Tennison, Cheryl Thruston

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

Guest Attendees: Ronda Anderson, Shelia Barton, Sherri Baumeister, Danielle Briot, Samantha Dickey, Scott Drachnik, Missy Eidson, Vanee Emerick, Dennis Hall, Linda Kirk, Dennis Lancaster, Dan Lauder, Mardy Leathers, Jessica Long, Carmen May, Allyssa Miget, Letrece Mitchell, June O'Dell, Sally Payne, Michael Ravenscraft, Mary Ann Rojas, Diane Simbro, David Snyder, Alan Spell, Tammy Tankersley, Ron Tierney, Jenny Warren, Yvonne Wright

Call to Order, Welcome and Introductions: Chairman Skains called the meeting to order at 8:07 AM and welcomed everyone.

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

Approval of Board Minutes from May 24, 2018: With no correction requested to the attendee list, Ray Tubaugh moved to approve the minutes. John Gaal seconded and the motion carried unanimously.

Certified Work Ready Communities, Dave Overfelt: Dave provided an update on Certified Work Ready Community (CWRC). There are currently 70 certified counties, 24 in progress, and 21 not participating. A total of 19 new counties have been certified since January of this year. Three new counties (Wayne, Shelby, and Stone) are in progress.

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Workforce Innovation and Opportunity Act Performance Report, Dave Overfelt: Dave Overfelt provided the PY17 Performance Report. A printed copy of the performance measure spreadsheet was included in the board member meeting packet. Green indicates exceeded expectations, yellow indicates meeting expectations, red indicates shortfalls where performance failed.

Dave pointed out the good performance in Wagner-Peyser, Dislocated Worker and Adult measures overall, however there are some issues in credential attainment that are due to the manner in which participants were enrolled following 2008. Following the recession, job centers were enrolling everyone in everything training related. It increased the denominator of the measure. There were a lot of people attesting to receiving training but were doing it on their own. There was not a way to validate whether or not they had actually received training.

Dave explained the shortfall in youth employment 2nd quarter after exit and 4th quarter after exit. DWD is exploring the reason for the low numbers. There is one more wage match to run checking all of the participants against the federal database, therefore the numbers should increase to meet expectations in the areas that are close to 90%.

DWD is working with TEAM – Training Employment Administrators of Missouri to explore other possibilities for the shortfall in youth employment. Additional investigation is being conducted by contacting the individuals to see if they are receiving training or education or if they have a job. Youth can be counted in the employment measures if they are receiving training or education, but the only way we have to check is to start calling people. There is no automatic method for checking.

DWD now has job stat staff to track and manage data in each of the regions. This data person in Jefferson City is contacting regions to make sure they know how to find individuals who are still outstanding so the individual can be called. This check could possibly lead to an increase in the measure.

More emphasis is being placed on performance data. It is DWD's goal to encourage a better understanding of the data and calculations in the workforce system. In the short term, Dave started sending out "performance tips" and has directed staff to Workforce GPS for webinars. DWD feels that it is important to know how the measures are calculated in order to know how to move the numbers around. In the medium term DWD will be providing a case management performance crosswalk to train them on the outcomes of the information they enter into the case management system.

In addition, policy guidance around youth tracking will be updated and quality assurance unit is going to start monitoring. A half-day training will be conducted for all youth providers (not necessarily state staff) to gain a better understanding of how the work they conduct affects performance outcomes.

DWD will check in at TEAM meetings on the status of training around performance tracking and will continue to offer support and technical assistance as needed. A summit is taking place in

December. DWD has launched a new big training initiative. Performance components will be built into it over the next year.

The meeting returned to the spreadsheet handout. Chairman Skains reviewed the key to the measures. He went on to ask about the time when tracking begins for accountability. Dave indicated it was July 1 2018. Enforcement of the performance measures has been on hold during the WIOA transition period. There are no sanctions until there are two solid years of data. 2018 is the beginning of good solid data. 2019 is expected to be a very good year. It will be 2020 before any sanctions may take place. By then the data should be cleaned to clear out the extra people who self-attested to training.

Mr. Skains commented on the difference in the measures from WIA to WIOA and asked if there were any questions or comments in from MOWDB members or the audience. Mardy Leathers commented on the new approach to design and implement a new strategic vision. He commended the cabinet committee on their work and focus on the new direction. Mr. Leathers thanked the workforce development team and the local boards on their hard work in the new economy and service delivery. He emphasized DWDs focus on maximizing performance and working together.

Ray Tubaugh commented on the good results in East Jackson County and asked if we had any explanation for the high numbers. Dave Overfelt explained that we were looking at best practices as well as threats. A possibility in EJC is that the population has better access to education and there are more resources.

A brief discussion was held about the process in performance negotiations. There was a request for each areas targets and negotiated goals. Dave Overfelt offered to send out the information following the meeting.

Missouri Economic Research and Information Center Reports, Alan Spell: Alan Spell is research manager at MERIC, Missouri Economic Regional Information Center. Spell covered important information regarding cooperating with other partners to provide data on labor, education and wages. He also asked for feedback in order to improve what they are doing. He provided copies of two performance reports from the prior year as well as the core plan for the coming year and then highlighted what was within the reports. Spell explained that MERIC is funded to maintain a workforce information database to do employment projections, economic reports, and other special reports in accessible format so that people can find and use the information as well as partner with key customers who need data. The cornerstone is employment projections. MERIC looks at all industries and projections for a 10-year period. The latest projections are 2016 to 2026 which came out this summer. This is done every two years and there is a big change this summer from two years ago.

The Bureau of Labor Statistics updated their methodology to count turnovers and exits of workers. They improved the process that now captures detailed movement of workers in and out of jobs which can capture more job openings than in the past. For example, over the 10-year

period jobs grow 22,000, but we have 100 or 1.9 million transfers (people changing jobs). It can be someone moving up in their career or taking another career path. We also have exits like retirees leaving the workforce. We can take the ten-year figure and realize from the data that we have 362,000 jobs to be filled.

Jobs are categorized by “now”, “next” and “later.” “Now” being short-term training. Jobs you can get with high school or just a little bit of training. “Next” which is a middle-skilled job. You need some moderate training to an associate’s degree. “Later” is usually a bachelor’s degree or extensive experience.

For example, with “next” jobs you can use the data on openings and see that some top openings are nursing assistants, truck drivers, cooks, accounting clerk, and supervisors. The number of openings are important for career centers to know. Also, projections pull out educational experience needed which can show that over half of the jobs require short-term training or less. In this report, 54 percent of jobs are short-term training, 28 percent are moderate, 18 percent are bachelor’s degree or above. Six out of ten people do not have a college degree of any kind – not an associate’s, not a bachelor’s. A lot of reports show that education pays off. The higher the education level, in general, the better prospects you are going to have for work. There are multiple stories out there and a lot of middle-skilled jobs pay very well and offer a lot of opportunity.

Discussion was held about providing this information more effectively to school board conferences. School counselors and school leadership has been provided this information. Elected school board members need this information. Ron Tierney, Program Coordinator at St. Louis Carpenters Joint Apprenticeship Program, explained that attending over one hundred career fairs has shown little return on investment so they introduced an eight-hour career and carpentry day which was well received.

Discussion was held about the Board getting away from being a compliance-based board to decision-based in order to best serve the needs of businesses as encouraged by the Department of Labor, Department of Education, Department of Health and Human Services. Skains emphasized that the Board needs to highlight the connection of K through 12 to postsecondary education. Discussion continued that the Missouri School Board Association and Workforce Development Boards need regular ongoing communications.

MERIC grades each career based on three values in projections: the number of openings, growth rate or how fast the job is growing, and wages. MERIC grades each career, 800 or so jobs now, 10 regions each get their own grade. It gives you the ability to see a career that has good prospects. Careers scored with A’s and B’s are generally high growth/high opening jobs. Spell also explained that the Bureau of Labor Statistics look at occupations and what trends, such as technology trends, affects it every two years. What this information seems to show is that technology may not necessarily replace jobs but becomes a part of jobs like truck drivers using apps to arrange loads or nurses using technology in patient care.

Spell pointed out that projections are important but true outcomes can be affected by external things including the economy or where people choose to locate or are forced to move for their jobs. Currently, retirement has impacted employment in many occupations. However, over time, the projections hold. Per Spell, “these numbers will always change a little bit, but the bigger stories tend to stay the same.” As an example, most nurses can start working with an associate’s degree but many nurses now have bachelor’s degrees which drives the education level higher. When areas of the country start hiring more nurses with bachelor’s degrees, the demand for the degree goes up.

The Workforce Innovation and Opportunities Act (WIOA) started to hone in on the idea of the career pathway – what industries are in demand, what jobs are in demand and then what career pathways lead to those jobs. In education, career pathways has a different meaning than in the workforce. In education, a graphic design career would be included in the arts. In the workforce, we are talking about pathways in an industry. You get started in a career and learn how to progress up to opportunities in the career. But there are also additional opportunities in that field including things like IT or customer service. So, for example, healthcare is a targeted industry with different career avenues because not everyone in healthcare is a nurse or a doctor. The career paths may be patient care, diagnostics or business operations.

MERIC also provides other products including targeted industry briefs. Information on employment in targeted industries allows you to see what is happening. Also, there are real time job briefs which is an online job aggregator. We look at online jobs and learn what some of the skills are in demand and then do an update.

MERIC does an annual economic report for the state and 10 regions which can allow planners to see what industries are growing over the past year as well as hot jobs. We can do rapid response products so that when there is a layoff, for example, MERIC will help develop analytics with that in a matter of days. Whenever there is a business prospect looking to relocate to Missouri or expand in our state, we produce relevant information quickly. In addition to these products, MERIC has regional liaisons who can answer questions and do presentations and help coordinate responses for them.

Each month MERIC meets with the Department of Labor, Higher Ed, DESE, Social Services and Corrections as researchers and talk about where they can share knowledge and what is going on. They use the same forum to work with ACT to study the National Career Readiness Certificate and are now in the final stages of that analysis. They use Department of Labor’s data linked to Higher Ed’s data to look at outcomes of National Career Readiness Certificate people. By pooling resources and using low-cost methods, MERIC is able to leverage other groups in order to do research. The discussion moved on to why this information was so vital across the state – businesses that cannot find the right skills may relocate rather than working to solve the skill shortage.

The Missouri Community College Association has been working with MERIC through three Trade Act grants to develop products around labor market information. Spell explained that the

collaboration with St. Louis Community College has led to national recognition for their work on developing information on middle skills. Missouri is well known for a very team-oriented approach to things and having community colleges working with higher education, labor and economic development is not always the case. The new thing this year is information from the non-credit community college courses that lead to certificates. MoSCORES tracks career outcomes after education and now includes noncredit certificate programs. MoSCORES is on the Workforce website but not yet advertised. You can look at specific programs and look at credential rates, earnings the first year and three years out. You can look at employment rates and the industries people are employed in. Knowing where students go is important. So we know, for example, that people in IT are actually going into healthcare jobs as well or engineers are working in professional technical services firms. MoSCORES takes information to the program level, not only for a school but at the state average. You can compare schools but you also have an urban or rural wage so that you can compare wages in a job by location. It is available for credit data now and noncredit data is building up. It takes time for data to get loaded, so the lag can be six to eight months. This is sustainable because the community colleges, four-year schools, private schools, and apprenticeships can grow the system and the system is built by state agencies partnering together.

One of the nice features of MoSCORES is that if you have kids going to college who want to know which majors pay well, you can see top paying programs and you can pick by certificate. You can pick by associates, bachelors and see at a glance what some of the top paying majors in Missouri are. You can see industries they work in and see the most popular programs and look at the outcomes of each school. You can look at outcomes for the entire system. There is a wealth of information to download in Excel and print. This is the next wave of understanding outcomes and we are one of maybe two or three states that now has a noncredit system in place that can grow. One of the challenges is that Missouri does not have wages on out-of-state workers. Some graduates of Missouri higher education leave the state to work. At this time, federal systems do not allow states to track that information or hold that data. ETPS administrator is Tracy Otto. The discussion moved to a conversation on how many dollars the state should invest in occupations with high turnover and low to modest income. It is important that going into a college program and knowing the income potential in advance is important – especially with many people having large debt for school. Part of the career pathway is that if you go into a career and stay only a few years, what is the next step? What education or training is needed to take the next step? If you are going to progress in a career, you need to commit to lifelong learning and be flexible in training for your next opportunity.

Spell closed the program with illustrations of the new MERIC website. It will be mobile friendly with more dynamic data. The staff will also be developing more short pieces of about one or two pages for quick grabs of information about a region or top jobs. He and Rhonda Anderson then talked about the conferences and events where MERIC and MoSCORES information will be shared with organizations across the state. <https://scorecard.mo.gov/scorecard/>

Economic Development – Best in the Midwest, Director Rob Dixon and Commissioner Zora Mulligan: Rob Dixon, Director of the Missouri Department of Economic Development and Zora

Mulligan, Commissioner of Higher Education introduced themselves to MOWDB. The Best in the Midwest and Talent for Tomorrow Initiatives kicked off in May. The two initiatives and the two departments have been working closely together in an effort to improve both the economic and workforce strategy across the state. The initiatives have evolved and grown over the summer. Rob provided a background for the economic challenges that we face right now.

Rob Dixon commented on data driven decision making. He felt that it had not been done in the past and that whether it is short term or long term, Missouri is not performing very well. The economy is growing but Missouri is not keeping up with GDP growth, job growth, or wage growth. DED named the initiative "Best in the Midwest" because that is the state's aspiration.

At this time according to the chart in the presentation, Missouri is last in the Midwest region in GDP growth. Our macro economy is not stacking up well against neighbor states either. The job creation chart in the presentation shows how we compare as a result of economic activity. This is work done in partnership with local economic development organizations. If the comparison is in the overall size of the economy, Missouri is just under the middle. The bottom line is that the economy is not growing well and the economic development efforts are not growing well. A key factor in this is workforce development.

When site selectors are working with economic developers to attract business to urban areas, suburban areas, and small towns, the most important factor is workforce. When examining what we are doing with the workforce, and how are we serving Missourians in acquiring training they need through educational institutions or public workforce funds we lag in average six month wages and services from WIOA programs.

The entered employment rate is not the last for those who received services through WIOA. Oklahoma is one percent worse. Another number is labor participation rate which is better than the U.S. average. We have had more Missourians in the workforce as a percentage of our population than the U.S. average. We are declining though and it seems likely we will go lower in the near future.

Some of the issues and challenges that we face are drug abuse and those who cannot hold a job or return to a job because of drug abuse. There are barriers to disabled and getting basic needs met like transportation to and from a job.

Missouri's talent pipeline slide showed progression through the education pipeline. Missouri is actually in the top 10 nationally for graduation rates. For every 100 students who enter the 9th grade, 88 will graduate from high school. However there is a big gap between those graduating high school and enter college. We lag in this number nationally and are far behind the best state.

Following conversations from the summer, the direction of thinking has transformed from how do we get these people directly into college? To how do we serve these people with other opportunities? Higher education is a solution to the problem but there are other opportunities as well.

Many jobs require short term training. Some will become automated. The next opportunity may be to provide work experiences and learning that will connect to the next opportunity. So if they have a current work experience that is subject to automation, we give them training that leads them to move to the next thing.

Adult education is less than the national average. Missouri has more people with a high school diploma, but we lag in every other category. Missouri is higher in labor force participation but lower in GDP, therefore we are producing fewer units of value.

Rob indicated that the reason they are digging so deep into the micro economy is because they know that the workforce and economic development strategy is not up to today's standards in the 21st century. It translates that the citizens of Missouri are not able to progress in the same ways or have the same opportunities. Even the websites we are using for our LMI data are from 1999, pre Y2K.

DED, as a state agency, needs to get a better understanding of the competitive landscape and see how we compare to other states. According to the recent review conducted by DED, in a comparison to all other economic development agencies, Missouri is a very large agency because we cover more functions, but the percentage of teams dedicated to do business development is small. There are 800 + employees on the org chart with a wide variety of agencies including tourism, arts council, public service commission, energy, community development, and minority owned and women owned businesses. It lacks strategic focus. We need to look at the monumental challenges that we are facing in the economy and workforce and have a strategic focus. Rob Dixon emphasized the need to have a laser-focus.

The average economic development agency in the Midwest has about 31 percent of the staff doing business development. Missouri has 4 percent. The average Midwest organization dedicates about 20 percent of the budget to business development. Missouri dedicates 3-4 percent. The average economic development department has 208 people on staff. Missouri has 865 people on the DED staff. This indicates that the differences in size and budget impact economic development effectiveness. In comparison to Indiana, Tennessee, Wisconsin, Arkansas and Kentucky, Missouri lacks focus on business development strategy and staffing. These are the top five states in the Midwest for job creation. Indiana dedicates 53 percent of the economic development staff to business development. Missouri only dedicates 4 percent.

The new direction is realigning and reevaluating the entire department overall. DED is taking a laser focus on our customers instead of our programs. DED is working toward shifting from delivering enough solutions to becoming a problem-solving agent. Rob Dixon emphasized the need for DED to become familiar with the regions and businesses of Missouri and try to figure out how to remove governmental barriers and solve their problems in addition to connecting them with the workforce. Right now DED only has 5 people charged with doing business development activities around the state working with expansions and attraction. We want to shift to regionally focused teams that can work with different partners across Missouri on specific and unique

economic challenges and opportunities. St. Louis and West Plains have vastly different economic development goals and priorities. As a state agency we should be able to tailor our approach to the different communities and regions around the state.

The approach to get more “boots on the ground” we are looking at efficiencies that can be gained by reassigning staff from the back office to interact with the business community. More importantly now and in the future is connecting workforce to economic development. In comparison to states that are doing this (Georgia, Louisiana) we are far behind. It is our goal to have an interwoven economic development and workforce development team.

Best in the Midwest and Talent for Tomorrow are part of a broader framework. It’s working across all state departments, including Department of Higher Education and the Department of Labor, and working with the legislature and Governor.

Rob introduced Zora Mulligan to present the approach from Department of Higher Education.

Zora Mulligan began with a summary of the straight forward approach they are taking to align demand of jobs with educational resources. Issues were discussed over the summer such as a total package of what the state can do and what individuals can do to have a fully functioning workforce. The two primary needs are more people in the workforce and higher productivity.

To begin we need to retain the most-talented Missourians. We need to look at what we are doing to attract people to Missouri and make the cities live-able. Zora made comment to the buckets of money that other states like Tennessee are generating from growth of cities like Nashville and using it to touch every corner of the state. Missouri should consider the next big attraction for the state. Will it be St. Louis, Kansas City, or the Ozarks and what impact will the rest of the state receive from this growth. What can state government do to make Missouri the best place to live and work?

Increasing productivity involves developing a labor market that works. That means more educational attainment in more than just degrees. It means focusing on the industries that are in need of labor force and making sure the educational programs align with those needs. This will enable Missouri to have the workforce needed and recruit and retain business.

Rob Dixon followed with a segment on compete to win. DED’s strategy is to work together to compete by connecting Missouri’s cities and rural communities alike. The examples he gave were Springfield working with Republic and St. Louis working with Jefferson County. It would be even better if we can work with neighboring states. The primary strategy is to have a laser focus on strategy and using data to drive decisions.

Governor Parson has prioritized workforce development and infrastructure to drive growth going forward. He has had the cabinet form three separate working committees focused on workforce development, infrastructure and government efficiency. State agencies working together on

these priorities are charged with turning the concepts into tangible, implementable and actual policies that will help the citizens of Missouri.

The current initiative places multiple agencies and multiple leaders together to acquire a strategic vision to expand the horizon. The group is outlining policy priorities and over the fall the committees are working with stake holders, legislators and community leaders to refine the policy priorities. In January at the beginning of session, the issues that need to be addressed with legislation will be addressed at that time. If legislation or executive action is not needed then the departments will act quickly to move forward.

Zora Mulligan spoke about the funding decisions for the next budget-cycle. She indicated the decisions will be made on workforce needs and performance measures linked to workforce. There will be opportunity for institutions to apply for seed money to start up or expand programs that are specifically linked to workforce.

Rob closed the conversation by reiterating the importance of alignment between economic development, workforce and education. He also said the summer has been a learning period that resulted in evolved thinking about the challenges ahead.

Chairman Skains asked about specifics to the strategies. Rob outlined a couple of items. Missouri is looking at modernizing incentive programs with Department of Revenue and the policies related to infrastructure and workforce. Zora mentioned serving on boards and understanding the critical role they play in Missouri's future. Missouri is focusing on retaining the most educated and making livable cities for a better way of life.

The presentation ended with questions and discussion about the priorities and details of the slides. There was also some discussion about the future role of MOWDB in setting strategy and looking at performance.

Division of Workforce Development Update, Director Mardy Leathers: Leathers spoke of the travel across the state that he and his team did over the summer. They spoke to more than 3000 Missourians and logged over 10,000 miles to collect qualitative data on the workforce. Leathers emphasized that it is up to every single person to participate in the ongoing process of continuous workforce improvement. The goal is to work on one thing and then the next and then the next. He described the current work as a mode of preventive maintenance. Identify the problem and then fix it and move on to the next problem.

Getting more Missourians into the workforce and getting them more productive is the overall objective. Productivity rates are big and workforce development are aligning activities, supports, and competencies to address this. Leathers stated that he is charged to think about the public workforce system every day and the state agency that helps support and manage the public workforce system. Issues are complex and it will take the state engaging with the local workforce boards to solve them together. Our role is to move from compliance to being more of a strategic guidepost, lead advisors on the workforce system not only to the governor's office but to local regions and leaders throughout the state of Missouri. The state is designing a system that is dynamic and flexible and overall resilient. Resiliency is creating a system that can pivot and move with the economy and can absorb the shocks and unexpected challenges and

turbulence while also be posed to empower our workforce across the state. Empower the workforce to be more successful which leads to higher productivity rates and higher wages and higher educational attainment.

Data was discussed including the new systems in place to track whether or not each area is hitting their target. Data allows everyone to refocus approaches to do better and take it to the next level. Our public workforce system needs a better understanding of who we serve. We have many partners and state agencies and we are trying to formalize new policy recommendations. It is a group who has to work together, who has to share data, who has to share resources.

Who are we trying to serve? Missourians -- business, communities and people. 3 million of the 6.1 Missourians are not in the workforce. We need a better understanding of who we serve and how to serve them. We need a system that connects activity to outcomes. While we have to make sure we get the federal funding, is that really pushing outcomes? We have to design our activity in a way that is going to get us those outcomes. You have to align employment, training and education. We cannot solve all the public workforce issues if we don't work with our partners on the employment and education side. Getting more Missourians in the workforce and getting them more productive is what we are trying to accomplish. Performance, delivery and funding is really the focus where we need to be. And we need to prioritize those, we need to align those, we need to define those, and we're in the early phases of that.

Leathers reported the results of a recent study that shows that someone who goes through one of the public workforce programs, the average median earnings are about \$18,000 a year. When you consider that a family of four is in poverty at \$24,600 a year, he questions how we are breaking the cycle of poverty with these results. If U.S. median income is \$48,000 and Missouri's median income is \$35,000, why would our public workforce system be satisfied with \$18,000 a year?

Education has a huge drop with Missouri 8th in the nation of people who graduate high school to 33rd in the nation for people who complete a two-year degree or beyond. That is killing our productivity rates which pulls down wages. Economists will tell you that if productivity is higher, wages will grow. Being 14th out of 14 in productivity correlates to low wages. For years and years in Missouri our website titled us as a low wage state – Come to Missouri, we pay low wages. We need to be laser focused on accelerating middle skills growth. Middle skills of Missourians are going in the wrong direction. Middle skills are actually becoming more complex and more in demand and you see Missourians being left behind. Where they once were middle skilled, they've become low skilled because they don't have digital skills or some other skill set. We are not creating resiliency in our system.

We must cultivate a dynamic, flexible labor market. We need to have the infrastructure that supports people who work all around Missouri. Broadband, for example, is hard to get for some communities. It is difficult to give people in rural small towns the opportunities that someone in metropolitan Missouri has. 73 percent of all the jobs in Missouri require digital skills but only 47 percent of Missourians have digital skills. It gets around 60 percent for finance, healthcare and IT which are the highest wage growth, highest productivity rates and most likely to retain. Missouri must construct pipelines and pathways to resilience to get people on the pathway to prosperity.

What are we trying to do in Missouri? Broaden all the economic prosperity to all Missourians. Wage growth does that. Job growth does that. Productivity growth does that. That supports business,

communities and Missourians. We need to be laser focused on outcomes and designing activity that helps us push towards that. That is our target now. We are basing all decisions, funding, compliance, performance – everything – on the core competencies of funding, delivery and performance. And those are being tied directly to these outcomes which are job growth, wage growth and productivity growth.

Leathers then challenged the Board members to help answer some of the question and design a strategy in Missouri of how we become the best in the world at performance, funding and delivery in our public workforce system and hitting these targets -- job growth, wage growth and productivity growth. What we need is a new system for the new economy focusing on performance, delivery and funding. Making sure to hit the right targets at the right time. We are working on performance. Performance means many things but what does it mean to us? What are the measures that we are going to focus on so that when we think about performance it really comes as core? What are the targets?

How are we reaching people? How do we think differently? How do we use mobile facilities? Other states get people engaged with the public workforce system because they have moved away from brick and mortar. Nebraska is down to seven job centers. We have 31. Nebraska has 12 mobile labs that move all across the state, continuously offering training and services to every corner and region of the state. Nebraska is more rural than Missouri and reaches hard to reach areas. They have a 24-hour app that can access job center services. 24-hour chat. Call centers where people are available 24 hours a day to talk to people who need job center services.

The last piece is funding. In some ways we are doing pretty good, and we need to highlight that and show those successes. In other areas, we can re-align things. Why does money need to be in separate buckets all across the state? Why do we have seven different state agencies that touch the public workforce system with different federal money with different challenges and opportunities tied to them? We need to rethink what we are doing with that and how are we measuring the success of those dollars. How are we aligning funding in a way that incentivizes performance and awards effective delivery? We've got to serve more people than just what we can through the job centers.

Leathers concluded his talk by explaining some of the new tools and designs being proposed and/or brought into workforce development. Opportunity of Missouri is a policy recommendation that we've put in front of the governor that he'll be reviewing this fall potentially as a policy recommendation that he'll make on our behalf. And the idea is increasing the effectiveness of the public workforce system to do what we've talked about -- to focus on job growth, wage growth, productivity. We've asked to create a statewide council of all of the state agency partners under WIOA, and this would be a governor's council that is a statutory council that the governor oversees. Right now we have what's called a WIOA steering committee where the state agencies come together and all work together. In some ways, it's really effective, and in some ways, it's really not. Sometimes we have rules and constraints and lawyers that disallow us to do some things that we really want to do. How do we break that? Well, we create a governor's council that then begins pierce through each of the different tentacles of the octopus, if you will, and begin to connect these things together so that data can flow from DESE over here to the public workforce system and data can flow from DOLR back to DSS. And we're not touching things seven different ways and paying seven different people to do it.

The other things we try to do is connect current technical education and other opportunities back to the public workforce system. You heard a lot about a business-focused strategy for economic development, and you're going to hear that all throughout. You may think to yourself what about the people focus strategy? What about the workforce development focus strategy? That's where public workforce system

comes in. We're being charged with designing that strategy, and whether that's under the roof of higher education or under the roof of labor or under the roof of economic development or under some other roof that doesn't exist yet, it doesn't matter. Our focus will stay the same. And it needs to be on these areas no matter what roof or what context we're in because our responsibility wherever we sit in state government and in Missouri's economy is to the public workforce system, and it is to align employment, training and education and to focus on the competencies of performance, delivery and funding and to make sure that we're driving job growth, wage growth, productivity growth. That's how we have to come together. Opportunity of Missouri begins to just formalize some of those relationships and just begin to restructure how Missouri approaches the public workforce system.

New Frontier is another project that is a behavioral and organizational restructure of our state agency that manages and supports the workforce development, public workforce system. Radical changes to how we are designed as a state agency to serve the public workforce system. Who are key partners? State boards, community colleges, two-year colleges, institutions, current technical education, local workforce boards. We are working with TEAM, meeting monthly or more often to design a new MOU of relationships and understand how to align forces and influence outcomes. The next step is to design relationships that no longer run parallel to each other. New Frontier is shaping the focus and aligning the agency that supports today's economy. Our structure was designed in 1987 and it is time for a change.

MoRAP is a program we have put about 6.2 million dollars in apprenticeship programs across the State of Missouri. These are great projects because they require employers, educators, workforce boards, and intermediaries to all be at the table and all agree on some sort of program to serve Missourians. In the skill trades, they have gone into the high schools and done phenomenal stuff to get people access to jobs. How do we scale that across the state and make that the norm? For the Missouri Registered Apprenticeship Program we are asking the governor to create the Office of Apprenticeships which would be inside the Division of Workforce Development. Apprenticeships are a big deal. Part of that means funding, part means structure, part means performance measures tied back to these things.

Missouri Job Development Fund or more commonly known as customized training fund. Jobs retention training program and the new jobs training program. By making funding flexible can do more in areas where funding is needed. A new model that puts some infrastructure dollars on the table and the state will routinely invest in assets and infrastructure workforce development to establish centers across the State of Missouri to invest in training providers whether they are a workforce board or community college or a labor management organization, apprenticeship program. Put dollars in to help staff and to support expertise. To help with facilities and equipment and upkeep and make sure we have resources to train our people. We have a lot of good ideas and we have to find the money and go build it. By the time we create a solution the problem is no longer valid. There is a new problem. We have to really think about hitting targets of influencing job growth, productivity growth and wage growth in Missouri. We have to focus on performance, delivery and funding that will help us get there effectively. There will be talks about what that means and next steps for all of us to begin to fill in those pieces and think about how to approach challenges. How to approach it with opportunities based on our frame work now. We've come a long way in 113 days since the launch of this project but have a lot further to go.

Questions and Comments, Chairman Bill Skains:

Questions and comments were taken following each presentation.

Closing Remarks, Chairman Bill Skains: Mr. Skains asked the MOWDB members if any members served on the local workforce boards. A couple of members raised their hands. Mr. Skains thanked them for their service.

Motion made to adjourn and seconded: Ray Tubaugh / John Gaal

Adjourn: Ray Tubaugh made a motion to adjourn the meeting. The motion was seconded by John Gaal, passed unanimously, and Chairman Skains called the meeting to a close at 11:20 PM.