



Missouri Workforce Investment Board

Best Western – Capital Inn
Jefferson City, Missouri
March 25, 2009
9:15 a.m. – 1:40 p.m.

Members Present: Mike Deggendorf (Chairman), Matt Aubuchon, Garland Barton, Martha Ellen Black, John Gaal, Rick Gronniger, Gil Kennon, Ronald Levy, Gary Little, Linda Martínez, Nancy Montgomery, Neil Nuttall, Larry Rebman, Rhonda Stafford, Robert Stein, Cheryl Thruston, Leonard Toenjes, Clare Urhahn, Kelly Walters, and Brenda Wrench.

Members Absent: Neal E. Boyd, Tom Dempsey, Margaret Donnelly, David Duncan, Tim Flook, Carol Gossett, Zelema Harris, Sheila Hitt, Patrick Kellett, George Lombardi, Bert Schulte, Wes Shoemyer, and Sarah Tate.

MoWIB Staff: Glenda Terrill and Trish Barnes

Other Attendees: Division of Workforce Development: Julie Gibson, Mark Bauer, Roger Baugher, Amy Deem, Clinton Flowers, Gilbert Hake, and Sue Sieg; Attorney General's Office: Tom Durkin; Department of Corrections: Mariann Atwell; Department of Elementary and Secondary Education: Tom Quinn and Steve Coffman; Department of Health and Senior Services: Cindy Hufstedler; MERIC: Mary Bruton; Central WIB: Kevin Stadler; Northeast WIB: Mark Fuqua; Northwest WIB: Becky Steele; Ozark WIB: Bill Dowling; SLATE: Michael Holmes; South Central WIB: Tana Holder; Southeast WIB: June O'Dell; Southwest WIB: Jasen Jones; St. Louis County WIB: Frederick Douglas and Gene Gorden; Coffey Consulting: Rex Hall; Gamm, Inc.: Patti Meldrum; St. Louis Community College: Rod Nunn and Steve Long; Urban League of St. Louis: Everett Stuckey.

Opening Comments

Mike Deggendorf, Chairman, called the meeting to order and welcomed everyone to the meeting. He introduced the new Director of Workforce Development (DWD), Julie Gibson. Ms. Gibson is looking forward to working closely with MoWIB to set good policy direction for Missouri's workforce development system. Ms. Gibson stated that getting the MoWIB Executive Director position filled is at the top of her list and assured MoWIB that there will be someone in that position by the next MoWIB meeting. In the meantime, Roger Baugher, Amy Deem, Mark Bauer of DWD, are working together along with the MoWIB staff to ensure that this board receives everything it needs and to keep things moving forward.

Mr. Deggendorf stated that there are a number of new vacancies on MoWIB due to the nominations that were rescinded by Governor Nixon and hopes everyone received his e-mail explaining the course of action for those appointments and the process for the remaining seats. Ms. Gibson hopes that there will be more appointments made to MoWIB during the remaining eight weeks of the session. Robert Stein reiterated that even if additional members are appointed

but not confirmed during this session then those members could still serve on the board then when the Senate returned, it would have 30 days to confirm those appointees.

Minutes

Dr. Stein moved to approve the minutes of the October 1, 2008 Full Board meeting and the February 11, 2009 Executive Committee meetings. Len Toenjes seconded the motion. The motion carried and the minutes from both meetings were approved.

State Plan Modification

Mr. Baugher stated that DWD was originally going to revise Missouri's state plan and request a one year extension before the April 15, 2009 deadline. However, USDOL is now requiring states to revise their state plans to include the Recovery Act funds by June 30, 2009. DWD will request an extension to Missouri's state plan, waivers for USDOL approval, and it will adjust its performance numbers before the April 15 deadline.

Ms. Sieg explained that changes to the state plan were presented to the Executive Committee during its conference call meeting in February. At that time, there were major changes required. One change was the state workforce board structure from MTEC to MoWIB. DWD also wanted to make administration changes and extend some waivers and propose new ones. Since the conference call in February, the American Recovery and Reinvestment Act was approved. The deadline to extend Missouri's state plan into Program Year (PY) 09 which begins July 1 is April 15, 2009. DWD will then compose a new state plan with substantial changes per USDOL guidance that will be submitted by the June 30, 2009 deadline. A PY runs from July 1 to June 30 and in order for Missouri to receive its allocation for that PY it must have an approved state plan. The new plan will include changes to the administration, the new Governor's vision, and the previous waivers. Beginning July 1, USDOL will begin reviewing Missouri's state plan and scrutinizing those waivers. In the past few years, Congress and USDOL were less restrictive on waivers but DWD sees that changing.

On April 15, Missouri will submit a request to extend its one-year plan. In that extension, there will be two things included that, by USDOL guidance, are the only items that can be requested. Those items are 1) a temporary extension of current waivers; and 2) DWD's request to renegotiate performance levels.

Ms. Sieg stated that Missouri currently has 12 waivers approved by USDOL. All but two can be applied to the Recovery Act since several WIA-allowable activities are being used for the Recovery Act. The approved Missouri waivers are:

1. Deobligation/Reobligation Policy;
2. Allowing the Governor to Utilize 100% of WIA Dislocated Worker/Rapid Response Funds as Statewide Activity Funds (does not apply to Recovery Act funds);
3. Minimizing Data Capture Requirements (IWT);
4. Common Measures Waiver: DWD was excited to move to the common measures waivers because people can understand them and are the same throughout the public workforce system;
5. Utilize up to 10% Local Activity Funds to be used for Statewide Activities: The local Workforce Investment Boards (LWIBs) had asked about increasing the 10% local

- activity funds but at this time Missouri is unable to do that. Missouri has to leave the waivers as they currently are but this can be discussed after April 15;
6. Utilize up to 100% Transfer Between Adult and Dislocated Worker Funds (does not apply to Recovery Act funds): As seen in the USDOL guidance, there is the possibility that the 100% transfer between adult and dislocated workers may not be 100% transfer any longer;
 7. Allow Individual Training Accounts for Out-of-School Youth: In the past, this could only be done for adult and dislocated workers. Now youth that are out of school will be provided individual training accounts;
 8. Allow Local Regions to Determine Eligible Providers of Youth Activities (in Rural Areas Only): There are seven WIBs located in rural areas and these areas sometimes have difficulty locating service providers because there may be only one or two making it difficult to competitively bid that process. There is a process that these WIBs must go through to justify why there is one service provider that can be utilized;
 9. Allow Local Regions to Provide the Ten Youth Program Elements as Options Available to Youth Participants: Some of those elements are work experience components like the Summer Program; others are support services that can be provided to a client. This gives the WIB the ability to customize services for each client;
 10. Allow Local Regions to Provide 12 Month Follow-up as Option;
 11. Increase OJT Employer Reimbursement to 75% for Small Businesses (approved to go as high as 90% for Employers with 50 or Fewer Employees); and
 12. Waiver of the Limitation of the Use of Funds for Capitalization of Businesses at WIA: This was assisting an individual with \$5,000 for them to start a new business. DWD received guidance in February from USDOL that it has concerns about how this is being used throughout the nation. At this point, DWD will not be requesting an extension of this waiver. Missouri has not had any problems with this waiver but DWD wants to ensure that it doesn't have any disallowed costs and that it is accountable.

Mr. Baugher stated the state plan extension will give DWD the opportunity to take another look at performance measures that were negotiated with USDOL through the WIA program.

Essentially, DWD only has three measures for all of the adult, dislocated workers, and Wagner-Peyser performance and three for the youth. For the performance measures, DWD looks at:

1. How many people without jobs visit a career center and find employment based on what was done for them at the career center?
2. Of those who get jobs through the career center, is the job sustainable and what is its retention?
3. Of those who get jobs through the career center, are their earning improved and is the average earnings for these people increasing?

Since the economy is suffering, USDOL is allowing Missouri to stay with its PY08 performance numbers for PY09 or, if Missouri thinks it needs to, it can renegotiate for lower numbers. USDOL provided a regression model that DWD ran its figures against. It appears as though Missouri can't meet its PY08 numbers for either adults entered into employment or

dislocated workers based on unemployment rates and the economy. Therefore, DWD will renegotiate only three of its performance measures at this time:

- For Entered Employment: in PY07 actual performance was 85%; DWD negotiated 86% for PY08 but for PY09, DWD needs to reduce that to 84%;
- For Dislocated Worker: in PY07 actual performance was 89%; DWD negotiated 91% for PY08 was 91% but for PY09, DWD needs to reduce that to 87%; and
- For Retention: in PY07 actual performance was 89%; DWD negotiated 89% for PY08 but for PY09, DWD needs to reduce that to 88%.

Dr. Stein asked for an explanation on meeting performance, exceeding performance and falling below performance and the consequences. Mr. Baugher explained that Missouri can exceed performance measures by reaching at least 80% of what was negotiated and the average of the three performance measures is over 100%. If DWD (Title I of WIA) and the Department of Elementary and Secondary Education (Adult Education and Family Literacy Act of WIA and the Perkins Act) meet performance measures then Missouri has access to incentive funds at the federal level. If the measures are not met for two years then Missouri could face sanctions from USDOL.

Brenda Wrench asked how the performance measures compare nationally. Mr. Baugher explained that USDOL's website contains all of the national numbers, the negotiated performance numbers state by state, and the achievements. During negotiations, USDOL looks at what the rest of the nation is doing, and compared to other states, Missouri is really strong in some measures and not quite as high in others.

Mr. Deggendorf asked about the incentive money and how it gets directed. Steve Coffman explained that the grant ending June 30, 2009 received \$1.6 million and \$1.1 million was given to the grant ending June 30, 2010. The partners determine where the most help and resources are needed and divide the money accordingly.

Due to the summer youth program, the remaining youth measures will remain intact but will not be the focus of attention. USDOL is pushing states to serve more out-of-school youth. Those performance measures are more difficult to reach so DWD may need to renegotiate those at a later time. USDOL has had a tendency to increase performance expectations every year until states are finally approaching 100% with no additional money. DWD is going to take a closer look at performance negotiations over the next couple of years.

Ms. Sieg asked MoWIB to approve the recommendation of extending the state plan for one year. Dr. Stein moved to recommend that DWD submit the state plan extension to USDOL. John Gaal seconded the motion. The motion carried and the recommendation for the state plan extension submittal was approved.

Economic Development Briefing

Linda Martínez, Director of the Department of Economic Development (DED), stated that in light of the economy Missouri needs to move at the speed of business and move forward. There are a number of divisions within DED to help but DWD is extraordinarily important, taking on the need for training for current and future Missouri jobs.

Director Martínez reorganized how the services of DED's 12 divisions are utilized. In the past, whenever there was a problem, a new division or authority was added. DED will begin streamlining programs and processes that work during the summer.

Only a few weeks ago, the unemployment rate was 7.3% and now it is 8.3%. Other states are moving forward quickly and not waiting for Missouri to catch up. Michigan, for example, has passed several bills within the last couple of weeks offering companies numerous tax breaks. Missouri's discussion on pending legislation is difficult because the focus is on tax credit reform.

Director Martínez wants to ensure that Missouri uses its resources wisely with human resources being the most important. DED has been making new proposals to companies with a focus on training for those companies and how DED/DWD will anticipate each company's needs. Missouri needs to get ahead in terms of training.

Small businesses are a great opportunity for DED and DWD. Director Martínez and Ms. Gibson have discussed the career centers being more of a location to assist people in turning their ideas into businesses by providing training on the development of a business plan and other entrepreneurial training. Those programs are there but need to be more accessible. In addition, Governor Nixon's Show-Me Jobs Initiative includes low interest loans to small businesses. The initiative doesn't involve a large number of loans but, hopefully, will aid people in their entrepreneurial efforts.

There are many stimulus package activities taking place in DED and DWD. The major bills in the legislature that DED has been focusing on are House Bill 191 and Senate Bill 45. The BUILD program is discretionary with funding and helps provide more incentives to companies who wish to expand or locate to Missouri. DED is not only looking at what is needed to attract that industry but the related suppliers, contractors, and customers as well.

Tax credits are extraordinarily important programs, but there is a tremendous amount of concern regarding the accountability of the program. During DED's tax credit review, the Senate repeatedly questioned how many jobs were created with each tax credit. Many tax credit programs were created not as a job creator but because it addressed important social programs. DED wants Missouri to think about job creation but also when social programs are needed, match dollar for dollar instead of providing the program a discount.

Angel Tax Credits attempt to get people to invest in small businesses. Small business incubators look at small businesses as a source to turn the economy around. Research and Development tax credits are about advancing technology and research and how to commercialize that invention. DED wants to ensure that Missouri has programs and support for entrepreneurs and companies all along the continuum. The Quality Jobs Program has been extraordinarily helpful in the medium to larger size businesses so now there is a version for small businesses. So as not to punish large companies that have already exceeded the per project and per company program cap, limits will be removed to encourage companies that want to grow, to do so. DED wants to ensure that, especially in this economy, companies are allowed to reorganize without giving them the incentive to fire somebody.

The tax credit reform is an extraordinarily important process that has been very difficult for the legislators to address because many credits didn't create jobs. DED looks at every tax credit program to determine how much capital investment it creates for the state because there is real and personal property taxes to how many jobs are created.

The multi-prong approach to ensure that Missouri has the programs and the tools needed is extraordinarily important. The most important resource is Missouri's workforce. If Missouri doesn't have a reliable, dependable workforce that can be deployed to companies then Missouri really doesn't have anything to offer.

Economic Stimulus

Ms. Gibson stated that the priorities and challenges for DWD revolve around the stimulus with \$60+ million coming into the various WIA funds and another \$7.5 billion going into Wagner-Peyser. Governor Nixon's priority is the summer jobs program. USDOL and Governor Nixon have been very clear about getting to that pipeline so DWD's challenge is building the summer jobs program around that. The program really hasn't been funded or a priority for USDOL for the last decade but this year resources will be put forward for the summer jobs program. Today DWD will ask MoWIB for a policy change so that DWD can move forward with the program.

DWD is anticipating a big rollout of the summer jobs program in order to reach the youth and to appeal to businesses to participate in the summer youth employment program. A web portal will also be launched to enable online applications for both youth and employers. DWD will focus on three areas: emerging technologies (everything from IT to life sciences); healthcare (a broad area but one that is growing and has a huge need to fill positions); and green jobs (an area of focus for USDOL). DWD staff has taken part in webinar training sessions on green jobs and will be partnering with DNR. Ms. Gibson plans to meet with the Department of Agriculture to discuss jobs in rural Missouri. The discussion will be about all rural jobs not just those in bio-fuel technology. DWD and the LWIBs will be working together to outreach and find the employers in these growing areas to work with DWD. This will be a huge focus for DWD.

As DWD looks towards other WIA areas, dislocated workers have a huge need for: 1) more training opportunities for dislocated and adult workers; and 2) the ability to receive the supportive services in order to participate in the training. DWD will be looking at needs-based payments for supportive services such as childcare and transportation. DWD will be working with the WIBs to provide services to the adult and dislocated workers so they can get back to work.

Ms. Gibson is unsure if USDOL will offer any incentives to those going into the high-demand, high-growth employment areas. She hopes USDOL does in order to get the youth into enrichment type experiences during the summer jobs program to make them aware of these careers. DWD has been working with MERIC to identify where these industries are located. DWD is considering surveying employers to gain real-time information on what is available. Missouri needs to be future-oriented as it looks toward where the jobs are and what types of employers will need these jobs in the future.

The budget is currently being debated on the floor of the House. Chairman Icet put forward a supplemental bill that gives DWD the authority to spend the money in FY09. DWD has a deadline of April 13 so DWD is working on its scope of work in order to have it ready for LWIB signatures and then they can start planning. The LWIBs, along with DWD, have committed to have an overall statewide program, especially with the summer jobs program.

Dr. Stein asked whether educational incentives or credits could be linked with the summer youth program. Ms. Gibson explained that the age group for the summer youth program is 14 to 24. DWD looks at the program as a school-to-work experience for the high-school age youth to get them excited about a career path. For the college-age youth, the program would put them into an internship to get hands-on work experience. The summer youth program could also be an opportunity for youth graduating from college to receive work experience. There is income eligibility associated with the program but a college graduate with student loans shouldn't have a problem meeting them. DWD also wants to meet with the Department of Higher Education on: 1) how DWD can have recruitment ability on college campuses to inform the students about the summer jobs program; and 2) if there is credit students can receive for participating in an internship.

Neil Nuttall would like DWD to seriously think about broadening the economic qualifiers as students are younger. Ms. Gibson hopes that as employers begin partnering with DWD there will be opportunities to do that. She also hopes that by introducing kids to those employers, long-term connections will be made.

Ron Levy, Director of the Department of Social Services and whose background is in healthcare, followed up on Ms. Gibson's point regarding growth opportunities in healthcare. He thinks this is a complex issue but Missouri is missing a real opportunity to look at healthcare as a real stimulus today and a job growth opportunity of tomorrow. Missouri has the opportunity to access a \$130-140 million coverage initiative that costs almost no state dollars and, at a minimum, provides 1,300 healthcare jobs. This money comes from an agreement between Governor Nixon and the hospitals where, through a taxing formula for the hospitals, \$145 million could be added to state dollars: \$52 million from hospitals and \$93 million of federal money to cover the additional 35,000 people. If Missouri puts \$140 million into the economy, it will not only create jobs but also future opportunities. This is a complex issue but put out there for MoWIB to think about. Childcare and the importance of that for dislocated workers has been discussed while Missouri is in the middle of reducing subsidy for childcare. Missouri is working at cost purposes and it needs to understand the connective tissue that helps initiatives in the economy and jobs.

Gary Little stated MoWIB had previously discussed the importance of hosting inter-agency discussions and moving to a more integrated way of thinking and planning. He feels that all of the discussions so far point to that. It is important take advantage of this opportunity in order to effectively plan how to best use Missouri's resources.

Gil Kennon asked, concerning the summer jobs program, how well the system is prepared to react. DWD has surveyed the WIBs about their contracting provisions and if they have an emergency provision or a quick turnaround in terms of the RFP process. In order to move

quickly, DWD wants the LWIBs to run their own summer jobs program. Therefore, DWD needs MoWIB to make a policy change. Ms. Gibson feels confident that the WIBs are ready to run the program and seem excited about the opportunity. DWD plans to work with the community colleges, DED, and other departments to identify those employers and youths who would like to participate in the program.

Mr. Kennon asked if DWD was intending to ask MoWIB for a waiver to allow the LWIBs to run the program. Mr. Baugher explained that per USDOL guidance, the LWIBs need to have the ability to operate the summer jobs program if they have the capability; however, MTEC had instituted a policy that the LWIBs could not operate any programs and DWD does not want to overturn that policy entirely. The waiver would allow the LWIBs to operate the summer jobs program at the local level in the regions that have the capability. DWD request MoWIB approve the policy change in order for the waiver to be submitted to USDOL. Mr. Deggendorf asked for the negative implications that MoWIB may need to be aware of concerning this waiver. Mr. Baugher doesn't perceive any negative implications from this waiver.

Dr. Stein asked the relationship between the LWIBs operating the program and the way it currently works and their accountability to the larger entity. He also asked about using a more integrated approach to promote the program, especially to current college students who are attending college in one area but live in a different one. Mr. Baugher explained that there would be little difference where accountability is concerned. The accountability process is included in the continuous improvement reviews with the audits and monitoring looking at the WIBs first and then DWD looks at the WIB's process for monitoring its subcontractors. Ms. Gibson stated that DWD wants to ensure that information is disseminated throughout the state. DWD hopes to have that connection through the web portal so that college students can apply for a summer job based on where they want to work and not just where they may live.

Mr. Deggendorf has heard consistently that the stimulus is a lot of money, it has to be spent quickly and smartly, and there needs to be accountability for results in the black. He feels MoWIB needs to be comfortable with those controls in place in order to grant approval for DWD to submit the summer jobs program waiver. Ms. Gibson explained that it is a huge issue and one that DWD is paying close attention to. There are two big issues with the stimulus: transparency and accountability. Kelvin Simmons, Director of Office of Administration, is overseeing the accountability and tracking the financial results as well as the performance results. Before DWD moves forward with any certifications, it is finalizing its plan for tracking the money in terms of performance and for tracking financial results so those processes are on paper to make clear what is being done. Missouri is supposed to be spending this money in a responsible way in order to get the real results that it was meant to achieve. DWD will pay close attention to that and will hold the LWIBs to the same level of accountability and reporting requirements.

Dr. Stein asked if the waiver was just this summer's program or an open end. USDOL would like most of the money spent this summer but the opportunity exist for this to operate next summer as well. Mr. Baugher stated that DWD should address this for two years so that it doesn't have to ask MoWIB to approve the waiver again next year. Mr. Kennon asked how long the funds could be spent. Mr. Baugher stated that the money could be spent through FY10 that ends June 30, 2010.

Martha Ellen Black commented that, having observed that process for a number of years with the LWIBs, she doesn't see any other avenue other than to allow the LWIBs to operate the program. Mr. Baugher explained that there may not be many WIBs that will do this but those who choose to need this flexibility to allow them to spend the Recovery Act funds. Ms. Sieg also explained that the summer jobs program is not actually a waiver; it is a policy that MoWIB has the authority to change and will be incorporated in the Missouri state plan.

Mr. Little asked when the summer program ends each year. Mr. Baugher explained that the summer jobs program runs from May 1 to September 30 for kids who are only in the summer program.

Mr. Toenjes suggested a change to the last sentence of the motion. He suggested it be changed to read "it will be considered for approval" rather than "it will be approved." Mr. Baugher explained that DWD was trying to get something for MoWIB to react to and it certainly doesn't have to be worded this way.

Dr. Stein asked what happens to the summer jobs program if the LWIB is not interested in taking advantage of this policy change. Ms. Gibson explained that this gives the LWIBs the option and flexibility to operate the program. Some of the LWIBs don't need this option because they already have some flexibility in their procurement process.

Ms. Wrench asked if there is a broad brushstroke budget for how the \$60 million is being divided and dispersed. Ms. Gibson explained that the money is budgeted as follows: \$25 million to the youth program; almost \$10.5 million to the adult program; \$25 million to dislocated workers program; and \$7.5 million to Wagner-Peyser. DWD hopes to use the majority of the youth program money for the summer jobs program. Governor Nixon wants a lot of his reserve money to be used for the summer youth program as well so there will be additional money available on top of the \$25 million. DWD has not determined how much will be given to the local level.

Tom Quinn asked if there was a uniform hourly rate for the program and if a uniform supervisory training program that would be tied into the accountability has been discussed. Mr. Baugher explained that it would have to be minimum wage but there may be other considerations involved like what type of job and industry. Ms. Gibson explained that DWD wants to make it a good experience for the employer so that the employers continue to participate in the summer jobs program. That is a good suggestion but much of DWD's are per USDOL's guidance.

Mr. Quinn understands tying the kids into a future tracking internship and asked if there is enough opportunity for the local school districts to hire as many kids as needed to do summer work. Ms. Gibson stated that DWD is not shutting the door to those opportunities but its focus and emphasis will be on the funneling opportunities.

Mr. Deggendorf reiterated that DWD's proposal should be amended as follows: 1) the language at the end should be "considered for approval;" and 2) MoWIB is restricting this to the summer youth program for PY 2009.

Mr. Little made the motion that MoWIB amend its operating policies to allow LWIBs, with the approval of the chief elected officials, to submit for consideration the proposal for operating a RRA summer youth program. Rick Gronniger seconded the motion. The motion carried and the motion to amend MoWIB's operating policy was approved.

DWD also has two waivers for MoWIB to consider for approval. The first waiver would apply to the rural areas and the summer jobs program. If a WIB does not have the capacity or capability to operate the summer youth program and there is only one service provider in the area, then the waiver provides flexibility of the WIB to submit justification to DWD for using that provider and foregoing the bid process. If MoWIB approves this waiver, DWD will submit it to USDOL who will provide their decision within two weeks.

The second waiver concerns the summer program's performance measures. This waiver would allow Missouri to only use the work readiness performance indicator for the summer youth program. This would only apply to the youth participating in the summer youth program from May 1 to September 30. However, DWD also has an opportunity through USDOL guidance, that if a youth continues with the work experience component from October 1 to March 30, the work readiness performance indicator would continue to be the only measure used. The waiver allows the older out-of-school youth to gain work experience. Mr. Baugher explained that DWD could request USDOL waive the other youth performance measures.

Dr. Stein asked who signs off on the first waiver and if there would be a report on how many of those waivers were actually used. Ms. Gibson has WIA signatory authorization so she would sign off on the waivers. Ms. Sieg explained that DWD has had many waivers approved that provide flexibility but in many cases the waivers are not used as much as DWD thought they would be.

Dr. Nuttall asked if there is a disincentive involved with this waiver for college-aged youth participating in an internship through the summer program and wish to continue the internship through the fall instead of returning to school. Ms. Sieg explained that the internship could continue through the fall under this waiver. To encourage that youth to continue with school, they could take part in an internship that would coincide with their career interest and classes. John Gaal believes this could apply to high-school age students also. His company has provisions written into one of its programs stating the work is for a specific period of time to discourage the student from dropping out of school to work. The program also has a contract that the student, parents, and contractor must sign.

Ms. Black asked if the student could continue with school and work a few hours a week. Ms. Sieg explained that as long as it is under the Recovery Act funds and is work experience only then that student could work a few hours a week while continuing school

Mr. Deggendorf asked if MoWIB needs to approve both waivers as written. Ms. Sieg stated that the waivers need to be approved as written. If the waivers are approved, they will be posted for public comment. If there are no issues with the waivers, Ms. Gibson will submit them to USDOL.

Ms. Gibson explained that, as written, this waiver will apply to 18 to 24 year old out-of-school youth and not high school kids. Those youth younger than 18 who may have dropped out of school can still be served at the career center but under a different program, not these waivers.

Mr. Kennon moved to accept the waiver that allows Missouri to use the work readiness indicator only for out-of-school youth ages 18-24 and the waiver to allow flexibility when selecting service providers for the summer work experience component only. Ms. Black seconded the motion. The motion carried and both waivers were approved.

Sunshine Law Training

Tom Durkin is the Public Education Director in the Attorney General's (AG) office. Since taking the position, he has spent numerous hours discussing and learning about Chapter 610 of the statute, which is the Sunshine Law. The law is very specific in many instances but it is open to interpretation.

During the spring of 1973, the Watergate hearings were being broadcast live from Washington, D.C. That same year, Senate Bill 1 was introduced into the Missouri legislature. This bill is the origin of the Sunshine Law. The events taking place in Washington, D.C. that year precipitated the notion that transparency in government was needed.

If you follow baseball you know what Barry Bonds, Roger Clemens, and Alex Rodriguez represent. They are icons in the industry because of what they have done; they have been very prolific. If Major League Baseball and the Player's Union had insisted on full disclosure then human growth hormones and steroids would not have been discovered and sacred records would be safe today. Then maybe Babe Ruth would still be the greatest homerun hitter in baseball. Since there wasn't full disclosure problems happened that not only ruined the record books but seriously hurt the reputations of those three men. The AG believes:

- It is our public policy that open records and meetings promote better government;
- It is our belief that information is power; and
- It is our practice that when in doubt, openness prevails (the courts have also supported this).

Chapter 610 first defines a public meeting and who it applies to. The next thing it says is "If ever in doubt, openness is the policy to go by." There was a Missouri Supreme Court decision in 2001 that dealt with a police officer in Kirkwood where two sections of the law were in conflict with one another. In that particular case, personnel records are confidential and are supposed to be closed but certain reports are supposed to be open. When the two sides of the law came into conflict as to what could be available, the court ruled that openness shall prevail even though the statute says that personnel records are closed.

All meetings and records of public bodies are open to the public unless there is a law that specifically says it is closed. Even then, the sunshine law doesn't say the meeting has to be closed. The law gives the option to close a meeting and outlines what reasons may cause a closed meeting. All 21 reasons why a meeting may be closed are listed in the Sunshine Law handbook.

There may be times where compliance with the Sunshine Law may be inconvenient. In the AG's office, there are five attorneys who deal with this law: two deal with incoming complaints and two attorneys and a former judge deal with the AG's office compliance.

The legislature defined public business very broadly: all matters related to the body's functions or the conduct of its business. Conversations held in public will be open to public scrutiny and the perception of a misdeed could be as significant as the misdeed. If attending the same social gatherings, do not talk about business.

When having a meeting, the law requires the posting of an open meeting notice. The open meeting notice must contain: date and time of the meeting; location; and a tentative agenda. The public is entitled to have at least 24 hours notice of the meeting and agenda so it has the opportunity to attend. As a practice tip, always indicate the time the notice was posted because it could be called into question.

A public notice must also be posted for a closed meeting. The notice must refer to the specific provision of the law that allows the meeting to be closed; it does not have to include what will be discussed. The notice could simply state: Subject to the Revised Statutes of the State of Missouri 610.(insert applicable section) we are closing the meeting. The public notice should be placed at the main office, if possible. Emergency meetings may come up but should be avoided if possible.

The meeting location must be large enough to accommodate the number of people expected to attend. If the meeting will be conducted by telephone or internet that location must be identified as these are valid ways for people to observe the meeting. Recording of a closed meeting requires permission of the body.

Open and closed meetings must have minutes. If a vote will be taking in a closed meeting, that vote must be recorded. It must show your name and how you voted. Minutes of a closed meeting must be taken just not revealed.

The items discussed during a closed session are only those on the agenda. Any other discussions must be done in the open session. If a closed session is suggested but a board member doesn't believe it qualifies as a valid reason, that member must object during the open session. The objection must be reflected in the minutes in order to be exonerated if a suit is filed. The member may still participate in the closed session and vote.

If you are going onto the internet, be prepared to see what you exchange on the front page of the paper. Once something is posted on the internet, it's there even if it's deleted. The AG's office has a team of investigators that handle computer crimes and can find anything on a computer. Whatever you are going to do on the office computer, be ready to see it on the front page of the paper and be able to defend it.

A custodian of records needs to be appointed and posted. The public must know who to contact with questions or for information. Custodian of records have up to three business days to respond to a request for information. When a request is for more information than is necessary,

try to work with the requestor to narrow it down to pertinent information. A request can be denied orally; however, if the request asks for it in writing, the custodian must do so. If the request contains both open and closed information, the custodian is responsible for redacting (blacking out) the closed information in a manner that prohibits the requestor from seeing it.

The legislature decided that this shouldn't cost a great sum of money. The custodian is entitled to charge a fee for services. This fee could be a helpful tool in paring down voluminous requests. If the request appears that it may have a substantial fee, the custodian must notify the requestor of this within the three business days. Then once the custodian has estimated the fee, contact the requestor with this information to see if the requestor still wants the information. The Sunshine Law states: "Payment of such copying fees may be requested prior to the making of copies." {Fees for services are allowable but not mandatory}. "Documents may be furnished without charge or at a reduced charge when the public governmental body determines that waiver or reduction of the fee is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the public governmental body and is not primarily in the commercial interest of the requester." In addition, if the request is for information that is not a separate record, the custodian is not responsible for creating it. The custodian is only responsible for disseminating information that already exist. The law wasn't written to get around a request but it certainly takes into consideration that there could be requests that could be pared down.

There are two types of fines associated with the Sunshine Law: \$1,000 for knowing violations and \$5,000 for purposeful violations. A purposeful violations has a higher standard. An example of a purposeful violation is when a meeting will be held but not posted to avoid any opposition to the topic of the meeting. The law was violated not only by not posting the meeting but doing so on purpose.

The Sunshine Law handbook contains additional information. Mr. Durkin can be contacted with questions and he will answer them as soon as possible.

Dr. Stein asked if an e-mail is sent to half of the MoWIB members and a brief discussion ensues if that should have been posted as an open meeting. Mr. Durkin explained that in that instance, the custodian should be copied. If an e-mail is sent and there isn't an immediate interactivity, the courts generally don't consider that a meeting.

Dr. Stein asked, if during a closed meeting, it was the responsibility of the board member to say something if those present drift off topic. Mr. Durkin explained that someone should just let that body know it was getting off topic.

Mr. Durkin hopes that MoWIB will be very successful in what it does because Missouri needs its efforts. MoWIB's efforts will benefit people and make Missouri a better place.

Chartering Updates

Gilbert Hake explained that chartering:

- was designed to create uniform quality standards;
- was designed to establish quality standards throughout Missouri career centers that provide the one-stop career center services; and
- supports performance accountability, continuous improvement, and minimum service expectations.

The process begins when an individual career center decides to become chartered. The career center will then create an application, a business plan, and document its activities and forwards that information to its WIB. If the WIB accepts the application, it gets sent to DWD. DWD will then form a review team, conduct a desk review of all the documents included in the packet, and then will conduct a site visit. If the review team feels that the career center should be chartered then the packet would be brought to MoWIB for approval. Then findings are shared with the WIB who then confirms the chartering of that career center as long as the previous steps were successful.

To date, there are five career centers that have been chartered at the comprehensive level: four at Level 1 (Joplin, Kirksville, Poplar Bluff, and West Plains) and the remaining one at Level 2 (St. Joseph). There are three that have also been chartered as non-comprehensive Level 1 (Marysville, Chillicothe, and Monett).

Currently, DWD has chartering applications for Springfield, Hannibal, Moberly, and Warrensburg. Due to the current workload levels in the career centers and the activities associated with the stimulus activities, DWD hasn't convened the review teams. The teams will be formed once those activities slow down. DWD anticipates that additional career centers will apply for chartering.

Dr. Stein stated that it would be useful to him, as a board member, to know what MoWIB is being asked to approve, what is expected from the career centers that are being chartered, and what MoWIB expects in advance in order to act on a motion to approve the chartering. Mr. Deggendorf explained that, when the chartering of those previous career centers were brought before MoWIB, a number of board members questioned MoWIB's role and the methodology so MoWIB would like that followed up on.

Unemployment Update

Larry Rebman, Director of the Department of Labor and Industrial Relations, is an attorney from Kansas City who had a private practice that represented private sector labor and union employees, grievances, and personal injury matters. One of the things he has learned during his first two months in office has been about the WIBs; he had no idea there were such things in Missouri. During the past couple of weeks, as his department has been attempting to determine who has authority to do what, the WIBs keep coming up so he has learned that the WIBs are very important boards. He is looking forward to working with them in the future.

Unemployment came about in 1935 during the Great Depression when legislators and economists decided that employers had a role in hiring, retraining, and retaining employees and laying off workers. Unemployment became the cost of doing business. This was also done with workers compensation. The legislators wanted to add the human costs into the prices of commodities and services. Unemployment is also an economic tool used to take money during high employment and reinject it back into the economy during periods of low employment. It is a great economic stabilizer.

In 1939, there was concern that if one state enacted an unemployment system and the next state didn't, then employers were going to locate to the state that didn't. The federal government enacted the FUTA tax credit which requires all employers to pay a 6.2% tax on the first \$7,000 in wages. This has to be paid if states don't offer an unemployment tax credit to its employers. To avoid a reduction in the FUTA tax credit, the state has to maintain a solvent program; that is not happening in Missouri.

The UI trust fund in Missouri went solvent on February 24, 2009. Right now, Missouri has \$107 million in loans. The loans will be interest-free until January 1, 2011. By that date, Missouri will have borrowed approximately \$500 million and will have an interest rate of 4.65%. It is anticipated that Missouri will continue to borrow up to \$850 million through 2011 and the interest paid on that amount will be approximately \$35 million per year. Missouri will not pay these loans back until 2014. During that period of time, Missouri businesses will lose approximately \$1 billion in FUTA tax credits.

Since 1960 Missouri's trust fund, relative to payroll, has been steadily declining. Missouri has done a poor job maintaining the trust fund balance. In 2004, Missouri's fund dropped when it took out \$288 million in loans. Missouri paid back \$46 million in August, 2008 but then the fund went insolvent six months later. Missouri will borrow \$850 million in Title XII loans with a projected interest of \$143 million. Missouri doesn't get a tax credit on that \$143 million. Employers get a business deduction on their income taxes but no get tax credits. The interest paid is money that is gone; none of it goes to help anybody in Missouri.

Missouri doesn't have a choice concerning unemployment taxes. If Missouri doesn't pay unemployment taxes, the federal government takes \$971 million a year from employers; it would lose \$1 billion in FUTA tax credits over the next seven years or start losing \$1 billion in tax credits for Missouri employers every year. Missouri doesn't have a choice; it has to have a UI trust fund and it should be solvent. Missouri is one of the few states that has borrowed in every down turn and it turns that money into interest payments that don't go back into the economy. It is money lost to Washington, D.C.

DOLIR needs MoWIB's assistance in getting the message out to employers that UI trust fund solvency is important. It puts the money back into Missouri businesses and communities and helps its people.

On January 12, Department of Employment Security (DES) had:

- 5,000 past due unemployment determinations; past due means that a determination on a claim has not been made within 31 days;
- total pending adjudications were 7,784;
- call centers were answering 4,817 calls every day;
- DES staff was working Saturdays, state holidays, and overtime daily to catch up;
- call center lines were shut down on Tuesdays and Thursdays because the people answering the phones are also the people processing claims and they needed to get caught up.

Since then DES has done a number of things:

- DOLIR/DES partnered with DED/DWD to reach out to the career centers and WIBs. The LWIBs should have received a packet that contains a number of items including a letter signed by Director Rebman and Director Martínez indicating that both departments will work together to help people and provide answers. More importantly, DES will provide the career centers with answers to general questions to help alleviate customer frustration levels;
- reopened the St. Louis call center; 30 people were put back to work helping the unemployed;
- reduced numbers; as of March 23, there are no past due claims; total pending cases is now 1,300; and 6,400 calls per day are being answered.

DOLIR is doing what is needed to address the problems that the LWIBs and career centers were confronted with. Hopefully, Missouri will see results now that the career centers have tools to address their problems and DES is getting people their money. The unemployment rate is expected to continue to rise so DOLIR will continue to reach out to MoWIB, LWIBs, and the career centers and provide information. The next project between DES and DWD will be filtering information down and hopefully getting it back. Director Rebman feels there needs to be more improvement in the communication between everybody involved and DED and DOLIR fully support it.

Mr. Toenjes stated that a group had submitted a report, under the previous administration, concerning various options to bring the trust fund back into solvency and asked about the status of that report. Director Rebman explained that the group was the Missouri State Unemployment Council (MoSUC) board, Missouri Unemployment Security Council, and it proposed legislation that would make the fund more solvent. MoSUC planned to submit the proposal to the Speaker of the House but within hours of rolling it out at its meeting, there was no support from business groups. The Chamber of Commerce, Associated Industries of Missouri, and the National Federal of Independent Business met with the Speaker to inform him that the business community does not support MoSUC's proposal because businesses can't afford to pay higher taxes. Since there was no support, that proposed legislation was retracted by MoSUC. MoSUC has since submitted a change in the law that would allow Missouri to repay a bonding mechanism, if it chooses to do so, within 10 years rather than 5 years. Missouri employers will pay the \$1.2 billion even if Missouri bonds. Every Missouri employer has a vested interest in finding solutions for this problem.

Dr. Nuttall asked if there is a mechanism that could be used to initiate an investigation into solutions or do the employers just wait until the bill gets passed. Director Rebman explained that MoSUC would be that mechanism. MoSUC has a few expired terms so employers need to become interested in filling those seats.

The federal government has put employers in a difficult position: if unemployment taxes are not paid, they pay a \$1 billion a year; if not paid correctly, they pay \$1 billion over seven years. Employers need to understand that if the UI trust fund is not funded properly, the money doesn't get to the people of Missouri or back into the communities where it's needed. There is \$130 million of stimulus funds that Missouri could take advantage of but there is reluctance from the business community about accessing that money.

Ms. Black asked why the business community was reluctant to accept the stimulus money and what the obligation would be if Missouri accepts it. Director Rebman explained that the obligation is that Missouri has to enact legislation. However, Missouri has been given the authority to repeal that legislation when the money runs out. The reluctance from the business community could be from fear that the legislation will not be repealed and they will be obligated to pay additional benefits. DOLIR understands that business can't afford to pay more so it is working to make a deal that is acceptable to all parties involved. Director Rebman stated that Missouri is not only not getting money but it is giving it away as well. Ms. Black asked if Missouri would have to pay interest on the stimulus. Director Rebman explained that Missouri will receive \$130 million that doesn't have to be repaid or collect interest.

New Business

Mr. Toenjes asked if a strategic plan update could be an ongoing component of MoWIB's agenda. Mr. Deggendorf explained that it is his intention to continue to include that on the agenda and to get the committees fully functioning.

Chairman's Report

Mr. Deggendorf attended the National WIB Chairs conference in Washington, D.C. which was a chance for state workforce board chairs and liaisons to discuss various issues. It was his first time at that conference and thought it was extremely interesting. The stimulus bill was the central focus of discussions, best practices sharing, and presentations. Many states have already implemented their reactions to the stimulus plan while others are still in the idea formation stage. The tone from Washington, D.C. is to get the money pumping through the economy quickly. At the same time, the issues of verification and accountability were repeated again and again. Mr. Deggendorf feels that it is counter-intuitive to put this amount of money into the economy in such a short period of time through vehicles that have already curtailed their ability to execute existing work and still have a degree of accountability but that is the challenge and the expectation.

There was an excellent presentation of green jobs that was put together by the National Governors' Association. The presentation did an excellent job explaining what it means, the value, and the theory behind green jobs. The presentation also broke the \$45 billion that is allocated to green job creation down to its various programs.

The National Association of Workforce Boards, National Association of Manufacturers, and U.S. Chamber of Commerce also held a town hall discussion. The discussion focused on how to get more employers at the table and how to get the businesses talking about their needs. There was also an effort to get chambers of commerce engaged and representing businesses who don't have the time or resources. These groups also discussed accountability and how is performance proven so that that information can be communicated to businesses in the communities.

One thing that Mr. Little took away from the conference was the importance of working with the chambers of commerce to understand the issues that businesses have and to find out what the barriers to moving the economy forward. This is a great opportunity to break down barriers so that work on the future can begin.

Mr. Baugher explained that WIA is also coming up for reauthorization and the main complaint from those who run the programs is that there is not enough money to do this the right way. The message that was repeated at the conference was that since the states were being given twice as much money, they need to prove that it was worthwhile, then legislature may consider reauthorizing WIA. Mr. Baugher feels that Missouri is ready to prove that but hopes that the rest of the states are as well so that WIA will gain national support with the reauthorization and maybe more money to keep the programs operational.

Ms. Gibson asked what other states were doing that Missouri may also want to implement. Two things that Mr. Little heard were supporting the LWIBs by ensuring they have the tools they need to administer the programs and regional initiatives where the workforce is crossing stateliness. Mr. Deggendorf stated that the regional initiative also got his attention but with the ability to reach across the state not just across stateliness. He was also impressed with the level of coordination and intensity within other states n their ability to integrate the workforce element and economic development engine into state policy and with the pro-activeness in integrating all of the experts into a cohesive plan.

Ms. Gibson stated DWD needs to find ways to highlight what Missouri is doing concerning the stimulus. She is excited about the summer jobs program because it gives DWD an opportunity to showcase what DWD and the workforce system does. With the summer jobs program, DWD needs to find ways to reach the public and provide a positive experience with the workforce system. Then DWD can use those same outreach methods with other programs. This also gives DWD the opportunity to share success stories and highlight the impact of the workforce system on people's lives. Mr. Deggendorf agreed that hearing the success stories could fuel the spirit behind the action.

Ms. Gibson feels it is a sad state of affairs that the public doesn't know about the career centers. DWD, MoWIB, and the LWIBs need to work together to ensure that the public is made aware of the career centers and the services offered at each of them. The public needs to view the career centers as an excellent resource for whatever workforce need they have. Dr. Stein asked that common language for marketing the career centers be provided to everyone involved.

Director Rebman explained that the unemployed believe they can file for unemployment and get their unemployment questions answered at a career center. The big issue is informing the public about what is available, what isn't available, and how the career centers can help solve their problems. Ms. Gibson explained that DWD needs to think about the customers and providing telephones so that those seeking unemployment benefits can call a phone center. DWD needs to have that attitude plus be intuitive about people's needs so that the career centers are seen as places to go for assistance.

Mr. Toenjes asked the status of MERIC. Ms. Gibson stated that she is not sure what MERIC does for the workforce system but wants to engage them. Mr. Quinn explained that DESE has formed a Division of Career Education that disseminates information on hot jobs and extensive information including intensive information about all careers and MERIC has been critical in providing that information. Dr. Stein explained that DESE, DHD, and DED with assistance from MERIC is developing an integrated data system that tracks the student unit record level and ties in to the major. He agrees also that the dissemination of the information regarding MERIC reports and information and how it gets used at the local level is a crucial question that needs to be addressed. Dr. Nuttall is not sure if it is a MERIC issue as much as a local one. He works with business and educational people around the county and MERIC has been unbelievably helpful in collecting that data. Dr. Stein wasn't implying that MERIC was fully responsible but the question is in Missouri there is so much decentralization that it is difficult to connect the dots.

Ms. Gibson asked that Ms. Martínez's PowerPoint presentation be e-mailed to the board members.

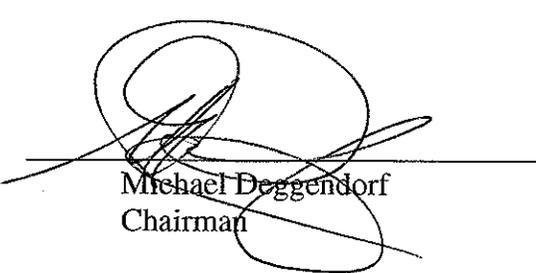
Next Meeting

Dr. Stein asked if it would be possible to set meeting dates for the next year in order to get them on their calendars. Mr. Deggendorf explained that June's meeting will be scheduled now and then he will e-mail possible meeting dates to MoWIB members. For the June meeting, he suggested the 11th, 17th, or 18th. Ms. Gibson asked if that would allow enough time for the state plan since it is due June 30. Mr. Baugher thought any of those dates would be fine.

After some discussion, Mr. Deggendorf set the next meeting date for June 18 and will e-mail proposed dates for the remainder of the year as well.

Adjourn

Being there was no further business, Mr. Deggendorf adjourned the meeting at 1:40 p.m.



Michael Deggendorf
Chairman



Julie Gibson, Director
Division of Workforce Development