

Jeremiah W. (Jay) Nixon
Governor

Mike Downing, CEcD
Director



Amy Sublett, Director
Division of Workforce Development

Mark Bauer, Exec. Director
Missouri Workforce Development Board

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

Missouri Workforce Development Board

April 10, 2015

10:00 a.m.

American Legion Post 5
Jefferson City, Missouri

Members Present: William “Bill” Skains (Chairman), Matt Aubuchon, Garland Barton, Michael Brewer (DHSS), Don Cook Sr., Herb Dankert, Mike Deggendorf, Wayne Feuerborn, John Gaal, Julie Gibson (DSS), Reggie Hoskins, Jeremy Knee (DHE), Ron Lankford (DESE), Hugh McVey (DOLIR), Neil Nuttall, Mike Pantleo, LeRoy Stromberg Jr., Josh Tennison, Cheryl Thruston, Anthony Wilson

Members or Representatives Absent: Cara Canon, Sen. Tom Dempsey, Mike Downing, Rep. Lyndall Fraker, Jason Hall, Rep. Michele Kratky, Sen. Will Kraus, Birdie Legrand, Jeanette Prenger, Len Toenjes, Ray Tubaugh, Kelly Walters

MoWIB Staff: Mark Bauer and Glenda Terrill

Other Attendees: Amy Sublett (DWD Director), Ronda Anderson (MERIC), Sheila Barton (MSU), Tracey Brown (DWD), Elaine Byran (DESE), Karen Dowdy (Ozark WIB), Jim Duane (STLCC), Clinton Flowers (DWD), Brandi Glover (NE WIB), Dennis Hall (DWD), Lisa Hostetler (NW WIB), Gordon Ipson (NE WIB Chair), Jasen Jones (SW WIB), Linda Kirk (W. Central WIB), Melissa Robbins (S. Central WIB), Tom Robbins (DESE), Mary Ann Rojas (Ozark WIB), Molly Tallarico (DWD), Melissa Woltkamp (DWD) and Yvonne Wright (DESE-VR)

A. Call to Order, Welcome and Introductions:

Chairman Bill Skains called the meeting to order at 10:00a.m. After welcoming everyone and introductions a Board quorum was declared.

B. Approval of Board Meeting Minutes

Mr. Skains called for revisions and/or comments to the January 16, 2015 meeting minutes. With no changes voiced, a motion was made by Dr. John Gaal to approve the meeting minutes, seconded by Mr. Wayne Feuerborn. Motion was approved.

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C. Certified Work Ready Communities—Molly Tallarico (DWD)

Ms. Molly Tallarico, DWD, provided an update to the CWRC/NCRC:

- The State Chamber recently spent a million dollars with Gallop to do a poll of Missouri employers across the state. Some of you may have been to some of the presentations they've done. One of things that stood at the top of the list of concerns from our employers was the number of people coming into the workforce out of high school without the necessary skills employers are seeking. The State Chamber took a look at the CWRC and are now recommending to every county in the state to get in the program which will help skill up the workforce.
- Ms. Tallarico continued introducing the Board to the new *Area Development* magazine, with an issue focusing on the concerns of corporate executives across the US when making a site selection. The number one concern continues to be workforce quality.
- Last week our Cole County Certified Work Ready community leader, Shelley Jacobs, who was at Linn Technical College, went to the Alcoa Correctional Institution and tested eighteen young men ready for early release. We had our concerns having to test by paper and pencil since computer access was not allowed and we were not able to work with the young men beforehand to skill them up ahead of time or remediate. It was great news when we received the test results and every one of the young men passed. Testers will go back to Alcoa in a couple of weeks to test another group of young men. We now have another valuable use of the NCRC.
- We've added some nice U-Tube videos on our website of Governor Nixon traveling around the state to different communities having received their Gold Certification.
- Financial Situation—Last year \$400,000 was included in the budget for NCRC, however the funds were withheld this year and we were taken out of the FY16 budget. After making a presentation in St. Louis a state representative came up to me to discuss the program further as she liked the program. After explaining the financial situation the state rep. said she would do an amendment to add a \$100,000 in to keep the line in the budget and she was successful. The bill is now in the Senate and we're hoping that we will have another grant to assist some of our schools that are in progress.
- The Cape Girardeau Chamber applied to the Delta Regional Authority (DRA) for money to do testing and advancement in Bollinger, Scott and Stoddard counties. They received \$148,000 from the DRA to proceed. The Meramec region received \$128,450 to do some testing in counties including, Phelps, Dent, Crawford and Washington. Stone and Taney counties received a grant of \$40,000 from J.P. Morgan Chase, in Springfield, to do some testing which was facilitated by Mary Ann Rojas in the Ozark Region. We are finding some dollars through grants and proposals but it is still challenging and we would like to see everybody engaged in this state.
- Each of you have received a map of the state, the shaded counties are participating ones. The counties that have a check mark are fully certified. 52 counties are in progress and 13 are full certified. You also have a status report from ACT for all Missouri counties; I expect the numbers to change and shift significantly in a few more weeks.

Ms. Tallarico presented the County of Chariton as a Certified Work Ready Community. Mr. Skains presented the motion to the Board, *“I move that the Missouri Workforce Investment Board, having been presented with an overview and recommendations from the Application Review Team for the County of Chariton, having completed 100% of their set goals, with the acknowledgement from American College Testing (ACT) approve the County of Chariton as a “Certified Work Ready Community” effective April 10, 2015, and recommend to Governor Jeremiah “Jay” Nixon that the county be accepted as such.”* Mr. Hugh McVey made the motion and Ms. Julie Gibson seconded. Motion carried unanimously.

D. Workforce Updates—Amy Sublett

Sector Strategies: Ms. Amy Sublett shared that she and Ms. Gibson attended a National Governors Association Conference in November specific to sector strategies. Kentucky is one of the states considered a front runner in the use of sector strategies. We are looking at the information received from the conference as to what we can borrow and use from other states in developing our own and what we might recommend to the Board and our partners. We’re in the process of developing an RFP (Request for Proposal) to select a consultant/facilitator to assist us in identifying and development of sector strategies and how to implement locally, which is key. We want to embed our sector strategies in delivering workforce services. The facilitator would help us develop at the State level the sector strategy approach from an umbrella standpoint. Then it would be up to each workforce region, under that framework, to develop their sector strategies. We hope to have somebody on board at the State level that will work in partnership with the local regions to do this. As a State we intend to be a front runner by going out and doing the RFP, our first step towards that action. Within the whole concept of sector strategies it is really important that they’re tied to pathways, for the people we assist in both education and workforce to have a clear pathway. A lot of work has already been done in Missouri around (career) pathways. The community colleges have done a lot of work in terms of the TAC grants received so we have some success stories that we can build on and tie to our sector strategies and how we approach.

Ms. Sublett continued saying she wanted to provide the sector strategy update because we will need direct input from the Board, particularly the private sector members, with our recommendations for how we implement the strategies. Ms. Sublett asked Ms. Gibson if she had anything additional to add.

Ms. Gibson said that with WIOA the sector strategies are the foundation upon what everything else will be built. A key thing will obviously be partnering with the local Boards as well as with State agencies such as her own (Social Services). It’s going to be a learning curve for us around sector strategies and career pathways that we are eager to get into. Connecting career pathways and sector strategies really helps our participants see a path as to where they might be able to go and where they might end up in terms of work and moving from a world of assistance to being able to see a path to self-sufficiency that’s really about a career.

Ms. Sublett introduced Ms. Ronda Anderson with MERIC (MO Economic Research and Information Center), the state’s LMI (Labor Market Information) center, Ronda also attended the

conference with she and Julie. MERIC will play a key role in the data we gather. One item that may be worth considering for future discussion is a work group or committee specifically devoted to sector strategies from this Board. As we move forward with things to present to you it would be very helpful to have input, particularly from the private sector members.

Mr. Skains commented that if you look at the agenda and where we have been in this process this is more of an informative meeting and so intended. The new legislation has been passed but the final regulations are not in their final form and the comment review doesn't even start until the 16th of this month so we're a little behind the curve with all the other states. At our D.C. meeting we heard the need for states to begin their work, be diligent, the methodology will be basically the same but we had to start the process which includes the education of knowing where we are in the system and this is the first opportunity we've had.

E. Financial Update—Steve Kraus

Mr. Kraus said that normally at this time of the year we would have our allocations by the first of April, but we don't have them yet, but we expect them any day. Mr. Kraus theoretically went through how we allocate the funds once received. The colorful chart is one that DOL (Dept. of Labor) shared with us, the regional concept. It explains how the formula works and where things go. In the last years of WIOA, we had limitations on state administrative dollars, 8.75%, though the law really prescribed 15%, which limited what the Governor was able to do for extraordinary kinds of activities. In this year's allocation, it will increase to 10% for statewide activities, though WIOA also includes 15% for these activities. We're hopeful in the next appropriation cycle that we will get restored to the full 15% and can re-energize some of our statewide activities.

For the Adult programs, 10% is allocated for statewide activities and 90% go the local areas; for Dislocated Worker programs there is also the 10% for statewide activities, with 65% going to the local areas and 25% set aside for rapid response activities in response to layoffs that occur. The Youth program is much like the adult with 10% for statewide and 90% going to local allocation.

The programs have evolved over the years to where we get "split" funding. Originally workforce programs were forward funded, meaning that they were appropriated the year before we get the money. Several years ago that partially changed, so we get split funding, the graph at the bottom illustrates this. All of the Youth money comes out of the base period, so we get all the funds because it technically begins in April and goes through the year. For the Adult and Dislocated Worker programs we only receive a portion of it in the base period, which usually ends up being a sum single digit percentage of the amount we are going to get for the whole year and then the rest of it becomes available on October 1.

The other allocation handout is very similar. For Adult and Youth funding it's a one-third, one-third, one-third split. The first third is based on the unemployed and areas of substantial unemployment. That basically is a population of 10,000 people with an unemployment rate of at least 6.5%. In the past few years, since the recession, most of all the regions have been able to meet this. In better economic times we have actually had areas that could not come up with contiguous areas that had that kind of effect. Currently, it is not anticipated to be an area problem. The second third is excess unemployed which is an unemployment rate of 4.5%, which originally

was envisioned as the amount of folks that were in transition between jobs and that was in the 70's and considered to be full employment. Mr. Kraus wasn't sure if that was still the current thinking but that is where it came from and that term has been in the law back to two pieces of legislation. The third-third split is based on the number of disadvantaged adults and youth using a DOL formula because they don't keep census data on the age ranges that we need but they are the same for the state allocation, we use the same logic for allocation. The local areas also have a 90% hold harmless based on their prior two years. So you're sort of guaranteed that you don't have a large variation from year to year as data changes, it's somewhat of a buffering effect. Mr. Skains asked if the State gets the 90% hold harmless, which Mr. Kraus confirmed that the State does. Mr. Skains added the importance to the local people that they receive no less than 90% of what they received the previous year. It's good that the protection is there in the Act. Mr. Kraus continued saying that it was a huge change for this piece of legislation for the Dislocated Worker who did not have the hold harmless in the past, so we would see the huge swings in local allocations from year to year. Now, they also have a hold harmless to help buffer changes over time.

The Dislocated formula is actually a six part formula: (1) unemployment data which is based on UI records, (2) unemployment concentration which is that same ASU computation we talked about, (3) plant closing and mass layoffs, which is the tabulation of the WARN and Non-WARN notices that we receive, (4) declining industry data which is a summary of the losses for the prior two years, (5) farmer/rancher data which is one part that has kind of struggled over time which went for a long time without any data that we could use and value, two years ago we came up with some data that we felt comfortable using and the next year the data element went away, we're working with MERIC to come up with new data for that one and we think we'll have one to use this year, and (6) long term unemployed which I believe is 13-weeks and longer. Nobody knows the long-term unemployment anymore. There's a set thing for what is long-term unemployment and that is a data element. That basically explains how the formula works.

Mr. Skains asked if the law allows for cost pooling and administration between the three programs as in the past. Mr. Kraus acknowledged that it does. Dr. Ron Lankford asked if on the one-third splits if everyone who is at 4.5% or below gets a share of the one-third and then the other one-third is reserved for those that are above 6%. Mr. Kraus said that one-third of it is based on having more than 2.5% unemployed which is just about everyone. Mr. Kraus added that the way it is now that probably everybody will get some piece of all three-thirds. It's kind of a connect the dots thing between census tracks to find a population of 10,000 that connects. When times were much better, places like St. Charles, had some pockets of unemployed but they could not connect them to 10,000 and then they would bet a zero in that third which really devastated them as far as funding, but currently I think everybody will get some portion of that.

Mr. Skains thanked Mr. Kraus for his presentation and noted the importance of the information received as its part of the Board's role to establish some procedures and it's just the development of allocation formulas for the distribution of funds for employment training activities is part of our role.

F. Workforce Innovation and Opportunity Act—Melissa Woltkamp

Ms. Melissa Woltkamp provided an informational session on the State Board functions, roles and responsibilities under WIOA.

WIOA Overview: President Obama signed WIOA into law on July 22, 2014. WIOA provides a broad vision of workforce programs: reaffirms the ongoing role of American Job Centers and also requires coordination and alignment of key employment, education and training programs; promotes program alignment at the Federal, State, local and regional levels; builds on proven practices such as sector strategies, career pathways, regional economic approaches, and work based training.

Six Broad Goals of WIOA:

- (1) increasing access to and opportunities for the employment, education, training, and support services that individuals, particularly those with barriers to employment;
- (2) supporting the alignment of workforce investment, education and economic development systems in support of a comprehensive, accessible and high-quality workforce development system;
- (3) improving the quality and labor market relevance of workforce investment, education and economic development efforts;
- (4) promoting improvement in the structure and delivery of services;
- (5) increasing the prosperity of workers and employers; and
- (6) for purposes of Title I, to provide workforce investment activities, through statewide and local workforce development systems, that increase the employment, retention, and earnings of participants, and increase attainment of recognized postsecondary credentials by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet the skill requirements of employers, and enhance the productivity and competitiveness of the Nation.

Key Implementation Dates:

- Notices of Proposed Rulemaking will be published on April 16, 2015
 - Final Rules must be published by January 22, 2016 (no more than 18 months after enactment.)
- WIOA takes effect on July 1, 2015
 - Title IV, amendments to the Rehabilitation Act were immediate
 - The State Unified Plans and Common Performance Accountability provisions take effect July 1, 2016.

Mr. Skains referenced a meeting he'd attended in D.C. having heard the same dates as mentioned. Although DOL was saying we're supposed to have these things implemented by July 1 they also acknowledged that they would not have all the Regulations to us and encouraged States to do the best we can. The point being that we're writing as we go along and the guidance needed may be available in 90 or 120 days?

Ms. Woltkamp added that the NPRM (Notice of Public Rulemaking) came out on April 2nd, the published rules are due by April 16th. From there we have 60 days to comment. DOL wants us to begin some of our planning and implementation so we can give them some constructive feedback for the regulations. We're grateful to have received the NRPMs April 2nd as they were due in January. We received five sets of NRRMs, altogether there were almost 2700 pages between the

six programs: DOL had one, DOE had three (AEL, VR, Special Ed and Rehabilitation), one joint unified and combined state plan, performance and accountability and finally one-stop systems provisions.

Partnerships:

- WIOA creates a core partner structure
 - Workforce Investment (WIOA)
 - Vocational Rehabilitation
 - Adult Education
 - Wagner Peyser Employment Services
 - Note: In addition to the “Core” partners there are approximately 13 mandatory partners such as: CTE, CSBG, VA Reps., NFW, Second Chance Act programs through DOC, Social Services (TANF), SNAP, Trade Act Assistance, UI Compensation, and Youth.
- Expansion of One-Stop required partner membership
 - Wagner Peyser/Employment Service co-location
 - Temporary Assistance for Needy Families (TANF)
 - Re-integration of Ex-Offenders (RExO)- Adult program
- Strengthens employer/industry partnerships
 - Industry/sector strategies
 - Work-based strategies (incumbent worker training, registered apprenticeship, transitional jobs, OJT, customized training)

At the State level we have created four steering teams. Representatives attending today’s meeting are: Yvonne Wright/VR, Tom Robbins/AEL, Elaine Bryan/AEL, Julie Gibson/DSS, WIA Partners/Amy Sublett, Clinton Flowers and Melissa Woltkamp. Our four steering committees are working together with specific charges to address some of the things effective July 1, such as the identification of partners. We’re doing some asset mapping, developing our local MOUs and agreements across the Board. We’re looking at how we can help our career centers make quality referrals, looking at services to employers sector strategies and career pathways and labor market information with Ronda/MERIC. The data sharing, data builds in collection points required under WIOA in order to be able to successfully report to our Federal government how we are doing. We are hoping to receive the performance requirement template by July 22nd.

Promotes Accountability and Transparency:

- The Departments of Labor and Education, with input from stakeholders, will establish common performance accountability system for core programs, including common reporting templates.
- Negotiated levels of performance for common indicators will be adjusted based on statistical model that takes into account economic conditions and participant characteristics.
- Performance reports for states, local areas, and eligible training providers will be made publicly available.
- Eligible training providers are required to provide data on performance outcomes for all students in a training program.
- States will be sanctioned 5 percent of Governor’s Reserve for performance failure or failure to submit performance reports.

Strategic Alignment:

WIOA ensures that employment and training services provided by the core programs are coordinated and complementary.

- **Single Unified Strategic Plan** - Every state will develop and submit a four-year strategy for core programs:
 - DOL: Adult, Dislocated Worker, Youth
 - DOL: Wagner-Peyser
 - ED: Adult Education and Literacy
 - ED: Vocational Rehabilitation
- Plans will discuss the State's strategy to prepare an educated and skilled workforce and meet the workforce needs of employers.

Functions of the State Board:

- Must coordinate and align workforce programs to provide coordinated, complementary, and consistent services to job seekers and employers.
- Increase employer engagement
- Implement career pathways, industry/sector partnerships
- Disseminating proven and promising practices
- Promote more effective use of technology

Ms. Woltkamp added that one of the things the State Board will do to help us is in providing the review and hopeful approval of our core partner State Plan, our first plan is due March of 2016. In the Plans area for alignment the partner program State Board members will be very important as we are working together through our state group/teams. We may come to the State Board and ask you to help us work through some of the issues we may have to help with alignment. The State Board will also be looking at local Board member representation and identifying the guidance.

Mr. Skains asked if any of the partners had something to add:

- Ms. Yvonne Wright (DESE-Vocational Rehabilitation)—the partners have been meeting since early December and we're very excited about this opportunity to work together. To give you an idea of how integrated we're becoming there's not been a day this week that I've not devoted some time to WIOA activities. Ultimately what will be great about the partnerships is the service that all our customers get from this.
- Elaine Bryan (DESE-AEL)—Agreeing with everything Yvonne and Melissa have said she thinks this is going to be a great opportunity for our clients.
- Melissa Woltkamp (DWD)—we thought we knew a lot about each other's programs but we're still learning which is great. We're opening some doors and seeing some different things that we hadn't realized before.

Mr. Skains said one of the roles of the Board will be to coordinate and help work together which doesn't mean for us to dictate to agencies, because we received a clear indication from the congressional member, DOL and DOE that our job is not to tell people what to do but instead to get together and find ways to fix these problems. Having business and government working together to make things happen which has not happened in a long time.

Dr. Neil Nuttall reminded the Board that we have to recognize the need to provide direction to our regional workforce boards. We have active and dynamic local Boards. Lisa Hostetler, NW Executive Director, took our local Board through almost 3-hours of explaining WIOA and providing a tentative timeline. The local Boards are looking to this State Board for communication and coordination. More than ever before they can see movement from the Regions to the State as well as with the subcontractors, this is a very big job.

Mr. Skains asked if there's any output from the teams yet to discuss. Ms. Wright said the four teams created have met and focus on the following: Administration, Employer Engagement, Service, and Design and Delivery. There's also a Steering Committee of all the Administrators who've met once and a second meeting is scheduled. I think our biggest output is a common memorandum of understanding (MOU) we are sending out statewide as a collaborative partnership effort to share with every local entity that we are here to partner together; we are close to finishing the MOU.

Dr. John Gaal said he attended a local Board meeting several weeks ago, Mr. Hugh McVey also attended, and it would be really nice if a presentation like this would be given at the local level. There seemed to be some confusion about that but it needs to happen since the local Boards need to be up to speed as well. I was assured by Amy Sublett that we could probably get that done and I appreciate the offer. We don't know it all but I'd rather be in the partial dark than total and we've got to move forward on this which is my first point. My second point is that some of the regional Boards are so close to one another; might there be room for discussion to eliminate some of the duplication of efforts? I think it's the right thing to do and if we're going to get serious about this then those are serious issues that we need to confront.

State Plan Update:

Mr. Flowers said the State plan would be done in a way very similar to past years except for incorporating our core partners. DOL will establish the planning guidance/structure about putting a plan together, which we will mirror in the State plan, and ask the same to be included in the local plans. We have approximately one-year to develop the State plan.

From the performance standpoint, there's a difference between the particular measures. So far we are going to be fine with our performance of WIOA. The new performance measures are different, there are more of them and we are just at the point of doing research including how we will incorporate the measures.

Mr. Skains added that as a result of the various discussions today, as well as our meeting with Ron Painter (NAWB, Executive Director) in January, we need to start talking about committees.

Mr. Bauer said we've all participated in a number of webinars sponsored by the USDOL asking the State and partners questions that help guide them where they need to go. We consider it a good methodology to use right now. After hearing WIOA information/discussions today we think it's important to receive some feedback about your ideas in influencing, developing, and aligning when it comes to the Board functions. The action words in WIOA are primarily: development aligns, review, promote, make available but there are some concrete things we know going forward that we will need Board involvement, that's the plan that Clinton talked about. There are also the

Bylaws which we will need to review. The Act talks about the “Workforce Development Boards” and I believe most states are going with “Development Board” which gives us an opportunity to review the Bylaws and see if there are changes needed. Mr. Bauer continued saying another area where Board help may be needed is with sector strategy development, at least as a sounding board. Are there any comments on either of these topics I’ve mentioned or others that State staff can bring back? Mr. Bauer added that the State Board is represented on the Partner Board teams as he’s on the Administrative Team and it would be helpful if we had a general discussion about potential activity that the Board would want to take on.

Dr. Nuttall following up to Dr. Gaal’s comment we work with our subcontractors and our workforce Board is adhering to the principals that are established at the State level in our State Plan and that’s an alignment. That’s easy to say and very hard to do. At our last local Board meeting we made a decision to have a new role for our subcontractors who had previously actually been on the Board as voting members. We’ve now moved away from that and instead have more reporting out from them to the Board which I think is significant in a sense of their responsibility and role to the Board. I credit our Executive Director, Lisa Hostetler for recognizing this and having spent the past two years analyzing every position on the Board. We will not take a vote unless we have the right mix of our private business individuals there. Ms. Hostetler has worked very hard to get the members engaged because that’s what is going to be the answer to meeting all of these needs, having the right people at that local level and being in alignment. Dr. Nuttall continued saying for the State Board we previously went in a strategic direction, divided up with committees and worked on our various roles, but our direction and role is different now. Our strategic plan becomes the State Plan for WIOA, which is our plan. Within that each of us takes the role that we are best suited for with specific measurable outcomes that we go back and set timelines on when we are going to achieve and deliver them.

Ms. Woltkamp agreed with Dr. Nuttall adding that we will do the State Plan first, but everything needs to align itself because if our local plans say something different than the State plan then something’s wrong. The partnerships at the local and State level will work together to build the State plan.

Dr. Nuttall added that he’s served on the Northwest Board for over ten years and he’s seen fluctuations in dollars to the subcontractors and there will be impact now. Local Boards can make the best decisions when they can look ahead and see what the funding sources are going to be and then we can articulate to them the changes and build our expectations based on that.

Mr. Flowers said that at the NAWB meeting he learned that a State plan is not going to be sufficient unless it has contained within it a couple of really key things. First we have to have an integration strategy and this gets to where I think you look at this to falling into place as not being simple but logical. If you have the sector strategies aligned, and how they are at the State level, and supported by the local regions, an integration plan has to be assembled that must come from the staff workers. We have to be talking about how the system transforms to be integrative. Your plans will not be accepted unless you have started that process. It doesn’t have to be completed but it has to be started. The second component of a State plan that must be included is a technology plan and that comes from something I think we are all well prepared to address, we need to get aligned to do that. The technology plan is not just needed for customers but also

internally. How are we going to train people on serving clients and does the technology plan include that? Technology plans should also extend itself to something we are all aware of, Southern New Hampshire University, Western Governor's University, the concept of skilling people up is premised upon the technology plan and if the agencies buy into it, then that's part of our State plan also. Again, these two components do not have to be completed but at least started.

Ms. Gibson offered an observation. Not only are the challenges there and the notion of integration is key along with how we bring all the partners in and more importantly how we serve those customers. How will the customers benefit from the partnerships? There is legislation moving that is going to pass that will bring some new requirements on the TANF (Temporary Assistance for Needy Families) population and it's important to bring up. The workforce system has always been involved with TANF. Some of the local Boards are involved in what we now know as the MO Work Assistance Program. The new legislation will further limit the lifetime limit someone can receive benefits, reducing from 5 years down to 3 years. Additionally, sanctions will apply for participants who do not participate in what they call work requirements for so called able bodied adults. These restrictions will also apply to anyone receiving nutritional assistance in the way of food stamps from the Federal Government. Ms. Gibson predicts that the Governor will sign the bill and that we need to start thinking about folks coming into the workforce and how we really help them be set up for success, these are people who've known little or nothing but family dependency. There are a lot of things in the Federal law that makes it very difficult sometimes when it relates to things such as obtaining your GED or a high ACT/SAT. Where do the community colleges fit in as we think about training these individuals and how do we really get the training to people to receive a credential and a high ACT so they can get on a "career pathway" and find a path to dependency to keep them working so they become self-sufficient, without the safety net once they've hit their three-year limit. Ms. Gibson continued saying its incumbent upon all of us to think about this, not just as Board members, but tax payers and folks working in workforce and making it successful. It's a challenge for everyone and honestly a responsibility.

Mr. Skains said the coordination we've been asked to produce is remarkable. Our traditional person graduating from high school may decide several years down the road to look back at the educational system and want to come back. They've beat their head up against the wall, some subjected to the criminal justice system, the juvenile justice system, TANF or other systems. The Community College system is a critical partner for success in helping people who've faced barrier, lost some skills, had difficulty with their math, language or their pre-employment work maturity of basic life skills and many will need to be taught all over. What the Feds are trying to get us to do is shorten the training timeframe down to compress the clock back. We know that some people will not make it but there should be a seamless transition between K-12 and the community college and postsecondary system to allow people the opportunity to obtain a certification leading to employment. Mr. Skains continued saying he considers this common sense but our systems have not been training these people right as a society. The Feds have now thrown this back at us. We have the coordination efforts so pull it together and solve the problem. We have business, education, labor, industry and others. We have all these talented people to figure it out and fix it, which is remarkable and I think we can do it.

G. Staff Report—Mark Bauer

Mr. Bauer took a few minutes for a quick introduction to the Board. He moved from St. Louis to Jefferson City in 1989 and has had a career in workforce, holding various management positions. Mr. Bauer had one item for the Board, the Rehabilitation Services Council for the Blind has contacted us in search of a representative from the State Board to serve on their Board. If any member is inclined to volunteer you can do so by going to the Governor's website for Boards and Commissions to apply or if you prefer you can talk to me later.

H. Chairman Report—Bill Skains

Mr. Skains took a few minutes to acknowledge the representatives from the local Workforce Boards and asked for any comments.

- Ms. Lisa Hostetler, Executive Director, Northwest Region WIB at North Central MO College: On behalf of all WIB Directors we are looking to you for guidance and support as we work through transitioning from WIA to WIOA. We appreciate your time and attention as you work through the legislation and your role keeping in mind that you have local boards expecting some guidance. Dr. Nuttall mentioned that in our area I've been very busy working with our Board on WIOA, sector strategies, career pathways, partnerships, etc. One of the next steps for us is waiting for the State plan which will guide us at the local level. As we look to being true partners with AEL, Voc. Rehab, Wagner-Peyser and Workforce, we know how critical it is to have a technology management information system that connects all of us. In order for us to serve our customers well information has to be shared amongst the partners. While this may be a challenge for the State it isn't insurmountable and I look forward to whatever DWD can do to assist with that.
- Mr. Jasen Jones, Executive Director, Southwest WIB: Mr. Jones echoed Ms. Hostetler's comments and added that as the State Board discusses committees or short term taskforce groups to remember to include stakeholders that might not be part of your Board such as folks at the local level or other agencies as they could provide a lot of talent and input. Related to the technology aspects and access he asked the Board to keep in mind that we have video conferencing and other techniques available, which is especially helpful in rural areas. This is an exciting time and we appreciate your role. We stand to serve and assist locally as we are in this together.
- Ms. Mary Ann Rojas, Executive Director, Ozark WIB: Ms. Rojas first acknowledged Mr. Skains thanking him for his efforts the State level and local. Continuing, Ms. Rojas added that a lot is being done towards system integration with most Directors having some innovative and exciting things going on in their areas. We are working closely with our OTC and a lot of coordination is taking place with our Chamber of Commerce as far as sector strategies. We've identified our four key sectors: IT, Healthcare, Advanced Manufacturing and Construction. We plan to host four employer round tables and had our first one last month which had very good representation. Employers were happy to come out and talk about their needs and what we can do as a system to support them. The coordination from the State level comes down to our level with us all working together. We appreciate your leadership.

- Gordon Ipson, Board Chair, Northeast WIB: Mr. Ipson introduced himself as the Manager of Economic Development for the Northeast Missouri Electric Power Cooperative. Several times this morning I've heard a number of people use the term "customers" and most of the time they are using the term interchangeably with what I would refer to as "clients." On May 4th, Jasen Jones (SW Executive Director) and I are giving a presentation at the National Association of Workforce Development Professionals Annual conference called *The Role of Workforce Development and Economic Development*. One of the things we are going to be stressing is to answer the question of who are our real customers. As Ms. Tallarico pointed out in her presentation, the surveys done by *Area Development* magazine and by the MO Chamber say its employers and WIOA stresses this.

Dr. John Gaal: Building Union Diversity (BUD):

Dr. Gaal shared a reflection of how good things can happen when we all work together. A week ago he received an invitation to be present at the White House two weeks from now. The invitation was extended due to an outgrowth of cooperation from some very good people. The bottom line is that in two weeks President Obama is going to kick off an initiative called *Up Skilling America*. The President has reached out, looking around the nation for some programs who have delivered substantial results. In St. Louis about a year and a half ago a number of the construction trades, along with contractor partners and owners in the area got together and said it was high time we did something about something that has been nagging our industry for a long time and that's the lack of diversity. The short story version is we created a joint program using the acronym BUD, which stands for Building Union Diversity. DWD liked the idea and helped a lot as did the following: Ms. Cheryl Thurston/AFL-CIO, Mr. Jeff Aboussie/St. Louis Building and Construction Trades Council, Mr. Jim Duane/St. Louis Community College, Mr. Michael Holmes/SLATE, the local Workforce Board in St. Louis, Mr. Len Toenjes/Associated General Contractors and contractors such as Alberici represented by Board member Mr. Leroy Stromberg Jr.

There are two huge contracts in St. Louis right now, a 10-year project at Barnes Jewish Hospital and a 20-year project with our Metropolitan Sewer District and both of which said there will be diversity on these job sites. Our group was ahead of the curve, we didn't need the edicts, we just knew what had to be done. If we want to survive and remain a viable option in our region we've got to open our arms to the entire workforce, so that's what we've done.

We created a multiple week training program, pre-apprenticeship training program. We've had great success; otherwise the White House wouldn't have extended an invitation to us. The President and Vice-President have had a laser-like focus on the apprenticeships over the last year and a half and this is an extension of that and they want to move it forward. Dr. Gaal expressed his thanks for the opportunity to share this information with the Board as a great example of what happens when people cooperate.

Mr. Skains thanked everyone for their comments and shared a few things learned at the NGA (National Governor's) Conference:

- Talent Export. We need to get a better grasp on the talent export out of the states and our local areas for people to understand that we are educating many of our people and sending

them other areas such as Seattle, Dallas, Tulsa, and the like. Many taxpayers feel as if they're only a spring board for our talent to leave.

- Education for All. How do we drill down to the educationally deficient, how do we educate our disadvantaged individuals? How do we take our system and push far enough down to lift these people up because many have been subjected to various barriers including the criminal justice and juvenile justice system? How do we reach those people and bring them into the market because is not enough people entering the labor market to be able to deal with the problems for business.
- Management Strategy. They want us to change our management strategy. We met with the German Ambassador who shared with us that Volkswagen could not find the facilities in the US to train their people so they transported them back to Germany to train and forward back to the US to train other people. This was amazing. There will be more apprenticeship items. The communication between our groups, the community colleges and higher education is going to be at a much higher level than we have had in the past.
- School Dropouts. We have to stop our youth from dropping out in the first place and for those who have get them to return to school. One alternative is to set up better dropout prevention recovery programs and breakdown this 8 to 10 percent dropout rate that we are dealing with and that business is saying is absolutely hurting them. Business is saying that they can deal with some of the people's education attainment but many do not have the soft skills, which is often difficult to teach.
- Engage Education. They asked us to engage education and to fold them in the workforce system seamlessly. We're not to tell them what to do but bring them in as friends and let them see what we're doing on our side and we will learn what they are doing on their side. You're going to hear a lot about Regionalism before it's all over.
- Data. Todd Green from the Federal Reserve Bank at Atlanta said the whole system is lacking data. It's operating a superficial amount of data and we need to have to drill down further into the system and find out the needs of businesses and schools so we can seamlessly transition between not training somebody on a diesel from 1957 when they need to know how to operate an engine from 2015.
- Local Elected Officials. We need to educate and communicate with our elected officials. There needs to be some additional funding for data collection and then shared with our partners. There should be sharing between the Boards on all things. It wouldn't be a bad idea for local and State Board members to attend certain other meetings occasionally to help educate each other on what else is taking place in an area. Other organizations such as: Rotary, Kiwanis, Chamber, Education Boards, etc.
- Best Practices. We need to identify and disseminate information on best practices to share with everyone.
- Business and Industry. This one has been a passion of mine for years. They're asking us and the local Boards to reach out further to the business community and fold a significant number of those people back into our system to participate because it does not work if it's one or two Boards doing this. We need everyone to get involved.
- Our training is not for losers! This was stunning to hear but very important. Our community colleges are not for losers or for people who cannot make it in the four-year system. (Note: Many of these people begin their 4-year degree completions at a local community college for various reasons such as affordability, flexibility and accessibility to home.) Many of these people (customers) will build and service our homes, repair our

cars and provide so many services that we all need, our communities need. They want a significant number of those people to be run through that system. Community college work is tough, very challenging math and English.

- Credentialing. It is expected for individuals coming through the system to have a credential in addition to a diploma. When you can present a credential you're telling the employer that you don't have to remediate these people; that they've hit a certain level of expertise and able to push forward.

Mr. Skains put forth the question of how do we set up the activities and studies to make the current system, that is not being met for the employers?

Dr. Nuttall said he's had this discussion many times. As students come through our educational system it's important to have everything stacked, those credentials are stackable so one leads to another and that pathway is clear for those individuals we're training. It starts with having career technical programs within our high schools whose goals is to develop that pathway to prosperity and along that pathway those students are fully aware of the credentials that are important to be successful. If a student is studying to be an auto mechanic it is clear that a national credential is important. However, if they do not come out with a certified work ready certificate (CWRC) or WorkKeys the employer still doesn't know at what level they are performing. We have convinced our technical schools that students should be leaving not only with their area of study certificate but also a CWRC. Dr. Nuttall and Dr. John Jazenski, President of NWMSU, have had back and forth discussion around this subject. If the auto mechanic student comes out of that program plus has a NCRC they have a clear pathway. We believe that if students are told they need a four-year degree as well then what is the degree going to yield for them? If the applied science degree that we are going to give them, plus the CWRC yields them an end result that they are highly credentialed and marketable in the industry then they don't need to make the 4-year stop. Dr. Nuttall continued, when our student receive PELL (grants) part of the requirement is having to declare the degree they're seeking. We have students coming out of auto mechanics going into a highly technical robotics program and getting that certification that may not want to get a degree, but they can't draw their Pell and they don't need one to be industry ready. We have the right national administration that recognizes this. Dr. Jill Biden has done a great job explaining that in order to draw the Pell funds students should not have to lie and say they are degree seeking. On the other side of that the community colleges are affected by our student completion rate. We need to get on the pathway to find those things as we go along and let the students see that clear pathway as they come through.

Mr. Anthony Wilson added that as an employer we understand that individuals haven't learned everything they need to know but we'll train them. We can take people in without a lot of education and bring them in and train them. Our problem isn't with the job skills but rather the work ethic side. We run into a lot of situations where we can hire people who know how to do the work but they come in, work for a week or two and then need a day off or an extra break for something personal. There's a skill part of the job but also the work ethic. While we can teach and train if they don't want to do the work I'm not sure what direction to go.

Mr. Hugh McVey said he was the President of the MO AFL-CIO for twenty-one years. The BUD program that John Gaal talked about is wonderful. For the most part if you aren't from a union

family you're not aware of the job opportunities. In the building trades in St. Louis we know we can't work if we're violating the drug and alcohol policies. In particular our youth need to understand, that if they're looking for a job, they can't test positive for drugs. In the trades we understand that you have to be at work at 7:30am and stay until 4:00pm. We need to be talking to our youth about real life issues. Mr. McVey continued saying he thinks this Board, and all of us, can do a better job to help inform/educate our youth to be aware of employment policies and specifically those related to drugs. You may be the smartest kid in the class but if you're abusing a substance you will not get employed with the building trades or most companies. Mr. McVey said he hopes there's a way we can include this important learning into the process.

Dr. Nuttall added that Dr. Don Claycomb, President at Linn State Technical College, fought the same fight as the Building Trades. Our nursing programs require a Drug Free policy with testing, yet it wasn't required in construction but Dr. Claycomb is commended for fighting for this policy.

Dr. Ron Lankford thanked Mr. Skains for the good meeting, especially the dialog around the table. Last spring he read a book called *Turn This Ship Around*, in 1999 a commander took over the lowest performing nuclear sub and two years later it was the highest performing and this was accomplished by building capacity of all levels. As educators (42 years now) our students are our product. We continue to talk about assessments but at the end of the day this body assesses our student and says they aren't workforce ready. Dr. Lankford continued saying he liked the ideas discussed in Washington but it's always frustrating as to why we have to look at Jefferson City or Washington, D.C. to solve our problems. We're talking about individual responsibility whether its alcohol or drugs or what the general assembly is wrestling with for the welfare issue. At some point individually you have to be responsible, and he likes the notion of coming together with the asset mapping. NW may look a little different than SE but we look at the assets that we have and we have to integrate. The term "seamless transition" has been mentioned a few times today, but it was also talked about twenty-five years ago related to going from high school to higher education. The problem is we talk about issues but we do not solve them.

Dr. Lankford continued sharing an example of what we deal with in this dynamic. I work primarily with finances so I don't really wrestle in the area of "common core." The people who are the strongest proponents of the anti-common core movement in their testimony will say that education should not be about job preparation. I've heard it from the chief spokesperson and even one of the most vocal legislatures and they plainly say the same thing. We have workforce investment organizations all over the state and we have to all get on the same page, saying the same thing about our motive, which is to produce a product that will enable them to work, make a sustaining rate so they don't have to be on welfare and strengthen our society, economy, state and our nation.

I. Old Business/Questions/Comments

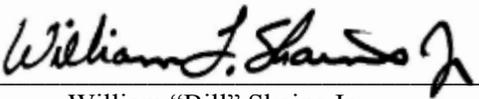
Mr. Skains said he wanted to close with something that happened to us locally in Taney County which is pretty remarkable. We've always had a close relationship with OTC, at our local Board level. The taxpayers in Branson just voted themselves a tax increase to pay for possibly building facilities in the future, but for now our students, that cross over the river, do not have to pay out of

area tuition. Our county has one of the highest unemployment rates in the state but also one of the highest leaving rates because we are a tourist based economy. In order to help address that issue OTC is providing free adult education and literacy training to the community which is remarkable and I'm very proud of the relationship with them.

J. Adjourn

Mr. Skains adjourned the meeting at 12:20pm.

Approved:



William "Bill" Skains Jr.
Board Chairman



Mark Bauer
Executive Director

