

Governor's Workforce Policy Advisory Board

January 23, 2008 - Meeting Minutes
Columbus State Community College

List of Members in Attendance:

Gayle Agahi (Cleveland Clinic); Suzanne Burke (Council on Aging of Southwestern Ohio); Representative Ted Celeste (Ohio House); Dr. Roy Church (Lorain Community College); John Connelly (Rehabilitation Services Commission); David Dhume (Madison County Commissioner); Eric Fingerhut (Board of Regents); Lee Fisher (Lt. Governor of Ohio); Bob Garbo (Hocking-Athens-Perry Community Action); Peter Gerken (Lucas County Commissioner); Greg Harris (KnowledgeWorks Foundation); Terri Hill (Nationwide Insurance); Michael Kovach (City Machine); Chairperson Nancy Kramer (Resource Interactive); Al Longstreth (Morton Salt); Terry Marovich (Diagnostic Hybrids); Ken Miller (Trumbull Business College); Val Moeller (Columbus State Community College); Bobbi Montgomery (Montgomery Manufacturing); Andre Morrison (Omex Development); Deb Norris (Sinclair Community College); Darcy Pajak (FJ Designs Inc.); Wendy Patton (Governor's Office); David Powell (NetJets, Inc); Dr. Denise Reading (Cuyahoga Community College); Barb Riley (Dept. of Aging); Mary Pat Salomone (Marine Mechanical Corp.); Alan Schonberg (Retired); Jack Schron, Jr. (Jergens, Inc); Jennifer Simon (Athens County Chamber of Commerce); Baiju Shah (BioEnterprise); Dwight Smith (Sophisticated Systems); Andre Thornton (ASW Global); Representative Shawn Webster (Ohio House); Dr. Robin White (Great Oaks Institute of Technology and Career Development); Becky Williams (SEIU); Senator Jason Wilson (Ohio Senate); Vice Chair Bruce Wyngaard (OCSEA/AFSCME)

List of Absent Members:

Rich Berens (Root Learning); Michael Broidy (Schottenstein Stores Corp.); Sam Chilia (IBEW); Lynn Dennison (Honda of America); Kent Dubbe (Ariel Corporation); Vince Eugenio (Cardinal Health); Michael Garvey (M-7 Technologies); Helen Jones-Kelley (Dept. of Job & Family Services); Mark Kovach (Mittal Steel); Dr. Ron McKinley (Cincinnati Children's Hospital Medical Center); Sandra Meyer (Duke Energy); Mary O'Donnell (Robert Rothschild Farm); John Peterka (VonRoll/WTI); Senator Tim Schaffer (Ohio Senate); Susan Zelman (Dept. of Education); Todd Wilson (Accelerated Moving and Storage, Inc.)

The meeting was called to order at 8:49am

Nancy Kramer and Lt. Governor Lee Fisher requested a change to the agenda, i.e., to begin the meeting with a brief, interactive discussion about the economy.

Impromptu Discussion

Lt. Governor Fisher: It is no big secret that we are going through a tough time with the economy. The administration is dealing with it in its own way. We talk to economists and budget analysts and get their perspective, but we don't often speak to people who are working in the economy, i.e., business owners. For this reason, we would like to begin today's meeting with such a discussion and hear from our business members about their thoughts on the state of the economy and the effect of the recent downturn on business.

Jack Schron: Our business is seeing a slow down in December, but we are expanding in other regions. Tooling University is exploding. Companies are making major investments in workforce development. TU currently trains approximately 30,000 students online. TU maintains contracts with GE, Caterpillar and major manufacturers across the country for "gold collar" education.

Darcy Pajak (FJ Designs / Cat's Meow): Discretionary income section of the economy is taking a hit. Consumers are focusing on basic needs. We see real increases in material costs and inflation. We need to look to state resources for incumbent worker training. Local WIBs have unspent training funds. We need to get the message out that training funds are available to help companies remain competitive.

Terry Hill (Nationwide Insurance): Despite market conditions, Nationwide continues to grow. We are looking to find ways to do things more efficiently. We are cross-training within our organization to move associates from slow or declining areas to growing areas.

Dwight Smith (Sophisticated Systems): We see a lot of mid-market companies moving abroad (off shore). We are considering doing the same, because the cost advantages are clear. Example: What costs \$2500 in India costs \$6000 in the United States.

Al Longstreth (Morton Salt): "Cold weather, snow and ice is a good thing for a salt company." However, Morton Salt is taking steps to be more conservative with its business, i.e., no discretionary spending, limited travel and only hiring essential positions. We are seeing the domino effect of the economy. When our suppliers are hit hard, so are we.

Andre Thornton (ASW Global): We are excited about growth in supply chain industry. Some parts are stagnant, but others are vibrant. Knowing how to do business in our state, region and the world is essential to growth. We need to align with growing industries and companies to participate in 21st century economy. In some cases, this means reinventing ourselves. We are not the same NEO as we used to be. Being a minority company, it is important that we grow- because we are more likely to hire minorities than "majority" companies.

Baiju Shah (Bio-Ohio): The healthcare industry is growing because of the aging population and general growth of wealth among Americans. Bio-enterprise industry is seeing record growth in medical technology and innovation, as measured by venture capital investments. We are seeing non-traditional bio-enterprise companies, e.g., automobile parts suppliers, converting their businesses into the “bio-science” industry.

Mike Kovach (City Machine Technologies): The machinery industry has seen a slow down. We have witnessed an opportunity to hire qualified workers, due to layoffs and downsizing of other companies. We had modest growth in 2007. 2008 looks to be another record year. We see small, but promising growth in the international market.

Nancy Kramer (Resource Interactive): We have seen extraordinary growth over the past few years. We are seeing a slowdown, due to the downturn in the economy. In particular, the retail practice area has been hard hit. We are looking forward to the future with optimism because of the demand for our services in multiple markets.

Approval of the Prior Meeting Minutes

Chairwoman Nancy Kramer called for a motion to approve the prior meeting minutes.

1st Motion: Darcy Pajak

2nd Motion: Val Moeller

The Board approved the motion by a unanimous vote.

1st Presentation: Ohio Skills Bank

Eric Fingerhut (USO): Ohio Skills Bank is the Strickland-Fisher's regionally based initiative to align the State's workforce programs and create a truly demand-driven workforce development system, i.e., state programs and services that are responsive to the needs of employers. This initiative began at ODJFS and has transferred to USO. In part, this move reflects the recommendation of the former Governor's Board to move Adult Education from the ODE to Regent (a.k.a. USO).

We are looking to create seamless career pathways, so that training obtained by an individual at an adult career center is transferable to a community college. The Skills Bank initiative will help coordinate this objective at the regional level.

The regions will be drawn according to the existing Economic Development Regions. The goal is to enable the regional partners to determine the proper level of academic credit for particular training programs, so that individual participants receive credit for their education. What's more, the initiative will help ensure that the local training and education efforts reflect the needs of businesses. To accomplish this, REDDs will work in

partnership with Local WIBs and training providers to gather data on training demands. Regional data will be gathered and analyzed by the team. State data will be gathered and shared with the regional coordinators. The initiative will not impact, change or otherwise alter the structure of the Local WIBs.

The Skills Bank initiative reflects the understanding of the need for the alignment of workforce development programs and services across state agencies. We believe that each agency should focus on their core competency. For Development, that means businesses. For ODJFS, that means individuals and job seekers. For Regents/USO, that means adult learners.

Comment— Bob Garbo: We need to have a more pro-active policy and system for engaging incumbent and dislocated workers.

Response— E. Fingerhut: Our metric of success is the overall attainment of education and training in Ohio. We are not content with the metric of success based on the number of graduates. We realize that we need to go beyond the college campuses, and engage all levels of adult learners.

Comment— Andre Morrison: I applaud the State for finally getting the message about realignment. With regard to the composition of the regional teams on the initiative, I hope that there will be a mandate that the teams are steered by business members. Likewise, I would like to see “outreach efforts” to businesses.

Response— E. Fingerhut: To clarify, the teams will report to teams of industry leaders who will determine whether or not we are succeeding in meeting their education and training needs. The staff people will be experts in workforce development and economic development, as well as education.

Comment— Jack Schron: Above and beyond articulation and transfer agreements between education and training providers, will the regional teams focus on skill competencies. That is, will the teams look to methods for ensuring that the training provides and/or ensures that participants obtain the requisite soft and hard-skill competencies to be productive workers?

Response— E. Fingerhut: Absolutely. By April, the teams should be in place and we should be able to provide the Board with the first “beige” book, reporting the progress that is being made at the regional level.

Comment— Shawn Webster: We need to ensure that workforce development money gets to employers, and provide them with the maximum level of choice when it comes to training their employees. Often times, businesses don’t trust government.

Comment— Darcy Pajak: If there are big changes coming, we need to be informed. We can be advocates at the local and communicate with media (so that the changes do not seem to be driven solely by the state).

Response— E. Fingerhut: We are a supplier. We need to meet customers' needs. We have 470,000 students who attend a public university/college in Ohio. 610,000 students, if you include private/for-profit. There are approximately, 5,000,000 individuals (adults) in Ohio's workforce. As best as we can tell, about 1,000,000, adults are engaged in some form of training/education. Our goal is to increase this number- and increase the overall education level of Ohio's workforce. Doing so will attract business to Ohio and help existing business grow.

2nd Presentation: Overview of Regents' Strategic Plan
(Refer to TAB 6)

Chancellor Fingerhut reviewed the accountability metrics & performance measures that will be employed by Regents to measure the success of their efforts. Chancellor Fingerhut then briefly touched upon three major initiatives that the Strickland-Fisher administration is working on to transform Ohio's workforce development system, i.e., Ohio Skills Bank, enabling each state agency to focus on their core competencies (alignment), and multi-agency effort to retain and attract graduates to the state.

Comment: Andre Morrison – Where is the focus on soft skills? We need to make sure that we also improve this aspect of Ohio's workforce.

Chancellor Fingerhut and Superintendent Susan Zellman discussed the Administration's efforts to improve soft skills. Specifically, Chancellor Fingerhut discussed the initiative to improve the availability and implementation of Collegiate Learning Assessments (CLAs) in high schools across the state.

3rd Presentation: Economic Development Strategic Framework
(Refer to TAB 5)

Lt. Governor Fisher discussed the Department of Development's strategic planning process, summarizing the regional meetings and input from business leaders across the state.

Lt. Governor Fisher stated that the desired outcomes of the Department of Development (and the State, as a whole) include:

- 1) prosperity;
- 2) opportunity and inclusion;
- 3) productivity, innovation and entrepreneurship; and
- 4) sustainability and agility

Lt. Governor Fisher then discussed the four cornerstones of the Department's plan, including:

- 1) Economic Climate, i.e., what makes Ohio's economy competitive with other state, regions and the global economy (e.g., tax structure, EPA regulations, tort law, etc.);
- 2) Communities and Regions, i.e., what makes Ohio a great place to live, work, and play; the resources that makes Ohio a great place for business);
- 3) Business and Industries, i.e., what the state has to offer, in terms of clusters of various industries, such as healthcare and manufacturing; and
- 4) Workforce and Talent (a.k.a. The Game Changer), i.e., the human resources to help businesses succeed in the 21st century economy; the element of economic development that will make or break Ohio's economic development initiatives.

Lt. Governor Fisher outlined Development's seven strategic goals, including:

- 1) competing based on talent and skills;
- 2) building strategic industry competitiveness;
- 3) building competitive, sustainable cities and communities;
- 4) competing based on entrepreneurial ability;
- 5) fostering growth through innovation and technology;
- 6) building collaborative, competitive regional economies; and
- 7) increasing governmental innovation and agility.

Lt. Governor Fisher next outlined ODOD's five lead external measures, including:

- 1) annual real per capita personal income growth;
- 2) annual real per job gross state product growth;
- 3) annual total and major industry business capital investment;
- 4) annual new business starts; and
- 5) annual total employment growth.

Lt. Governor concluded his remarks, noting his belief that Development has the right attitude, vision and plan to achieve the aforementioned goals and objectives.

4th Presentation: Employer Survey
(Refer to TAB 4)

Jane Dockery (Wright State) reviewed the "straw man" employer survey. The objectives of the survey include:

- 1) measuring employers' knowledge, attitude and experience with the public workforce development system;
- 2) obtaining data about workforce development services that employers use and need;

- 3) providing an opportunity for employers to articulate concerns about the workforce development system pertaining to candidate preparation and incumbent training;
- 4) assessing the satisfaction level of the workforce development system by users and non-users;
- 5) establishing metrics that can be tracked over time to help assess future changes to the workforce development system; and
- 6) where possible, using the survey as an opportunity to provide information to regions for the skills bank project.

Comment— Darcy Pajak: Concerned that the survey is too focused on “engaged businesses” and may miss the opportunity to obtain input for businesses that are not engaged; believes that this “boiler plate” material.

Comment— Baiju Shah: The survey could be helpful to determine a baseline for engagement among businesses. Likewise, it would be helpful to see how many employees they plan to hire in the coming year. Finally, if employers are not engaged with the system, are they aware of another state or location where businesses are engaged.

Comment— Jack Schron: We need to survey for three things; 1) among employers, their experience with new hires; 2) among employers who are writing the check right now for training, what is the value that they obtained (satisfaction); and 3) for students/participants, what is the value to the training they obtained. Further, we should send such surveys to employers and students at the completion of all education and training. What’s more, we should publish the results of the surveys so that everyone knows the value of the services to recently-served business owners and participants/trainees, e.g., E-bay model of immediately evaluating the buyer/seller performance.

Comment— Denise Reading: We need to assess who is engaging incumbent worker training services.

Comment— Bruce Wyngaard: We need to get down to the question of “What are the services that meet the demands of businesses?” Secondly, we need to assess “What about the system contributes to their business needs?” Thirdly, we should add a series of questions that can provide the State with information about the steps that the government can take to remove the stigma/fear of engaging with the bureaucracy.

Comment— Terry Hill: We want to make sure that businesses are aware of the ways in which the collected data is going to be used, so as to remove any fear about retaliation or code enforcement

Comment— Nancy Kramer: Perhaps, the survey can be paired with a cover letter from the Governor and Lt. Governor, thanking the business for operating in Ohio and discussing the need for and importance of the data.

Chairperson Kramer thanked Jane Dockery for her presentation, and called for a break at 11:00am.

Between 11am and 12:45 pm members of the Board convened in committee.

Chairperson Kramer re-convened the meeting of the Board at 12:50pm.

Committee Co-chairs reported/summarized committee discussions.

Chairperson Kramer indicated that a survey will be e-mail to members in an effort to solicit feedback about the meeting, e.g., length, location, etc.

The meeting adjourned at 1:00pm.