

**First Coast Workforce Development, Inc. (dba CareerSource Northeast Florida)
Full Board Zoom Meeting
October 22, 2020**

Chair Elaine Johnson called the CareerSource Northeast Florida Full Board Zoom Meeting to order on Thursday, October 22, 2020, at 9:30 a.m. Roll call taken and a quorum established.

Board members in attendance:

- Baker: None
- Clay: Paul Cummins
- Duval Elaine Johnson
Jake Schickel
Michael Templeton
Diane Williams
- Nassau: None
- Putnam: None
- St. Johns: Eda Edgerton
- Regional: Darryl Register
Tim Hinson
Dr. Joe Pickens
Lucia Valdivia-Sanchez
Beth Payne
Kirk Barras
Angie White

Excused/Absent: Clay Lyons and L. Wayne McClain

Staff: Rebecca Livingston, Cheryl Taylor, Jay Loy, Steven Dionisio, Dianna Davis, Melissa Terbrueggen, Carol Cullen, Ron Whittington, Joel Hickox, and Diane Nevison

Others: Dr. Jerry Parrish (Florida Chamber Foundation), Amy Rice (Sy-Klone), Kimberly Cobb-Ray (NFCAA), Dr. Linda Woodard (LDW Group LLC), Joann Manning (Job Corps), Anna Lebesch (JAXUSA), Julie Hindal (JAXUSA), Kim Grey, (Eckerd Connects), Emily Harrison (St. Johns County School District), Jackie Green (DCF), Israel Cortez, and others.

Introductions: The Chair officially introduced Rebecca Livingston, Executive Vice President of CSNEFL, who will be serving in the CEO role today, during Bruce Ferguson's absence. Also introduced was Amy Rice, CEO of Sy-Klone and Kimberly Cobb-Ray, the new Executive Director of North Florida Community Action Agency.

Public Comment: None Received.

***Action Items**

Approval of July 23, 2020 Full Board Minutes

Motion by Darryl Register and seconded by Lucia Valdivia-Sanchez to move approval the

July 23, 2020 meeting minutes as written; motion carried unanimously.

Program

Northeast Florida Economic Overview – Dr. Jerry Parrish, Florida Chamber Foundation

Dr. Jerry Parrish, the Chief Economist and Director of Research at the Florida Chamber Foundation will speak about Florida's economy and what is done with the data collected at the Florida Foundation. Dr. Parrish is responsible for in-depth analysis on Florida's economy and solutions to help Florida's future. The Florida Foundation has three parts. 1) The Foundation – all they do is research and look 2 to 30 years into the future and come up with solutions for Florida's economy. 2) The Florida Chamber – gets the data from the Foundation and advocates to get the right policies in place and ensure legislative leaders vote the right way. 3. Political arm – finds the right people to run for state-wide office who put Florida's long-term in front of the short-term.

The 2030 Florida blueprint plan has 39 goals to get us where we need to be with the number one goal being to be the 10th largest economy in the world by 2030 (currently 17th if we were an independent country). The Florida Scorecard, www.thefloridascorecard.org is how we keep score and includes a population counter (updated weekly) and COVID numbers (updated daily). Over the past month the following has happened i.e., Florida's unemployment rate increased to 7.6% from 7.4%, the number of unemployed people increased to 770,000, and state housing starts and sales decreased 29,495.

Florida lost 1.1 million jobs from February to April, but has since gained back half those lost jobs (mostly easy jobs with things opening back up) but it will take a while for certain industries.

The "Year of Year Job metric" shows this year over last year, instead of this year versus February (not seasonal). There are 5% less jobs (-451,100) compared to this time last year with half, 18.7% being in leisure and hospitality; 1 out of every 5 leisure and hospitality jobs last year are gone and most of those people are still out of work and looking for work. The construction industry has the lowest number of job losses and has been busy adding shifts to spread out workers, accelerating projects while people are not on the road, and full contractors and kitchen remodelers are busy installing pools and/or adding offices to homes for remote workers. Industries that should come back quickly are financial activities, manufacturing, construction, educational and health services, and trade, transportation & utilities (except wholesale and retail trade). The industry coming back last is leisure and hospitality (hotels and amusement parks have the biggest losses, 30-35% year over year with restaurants losing the most jobs over 100,000 or 15%).

The Jax Metro Statistical Area (MSA) chart shows how different areas are affected statewide. The Jax MSA is down -5.2% compared to Florida -7.2%. Jacksonville is doing better than Orlando, Miami/Dade and Tampa because of its diversity and not being dependent on tourism. Rural counties and rural land markets in Northeast Florida are doing really well, as people who have been cleared to work from home are moving to the outskirts of town or into small towns. Rural Chambers are getting many inquiries about their school systems and high-speed internet. This is very positive for rural economic development. The September 2020 MSA unemployment rates are 5.1% in Jacksonville and 7.6% in the state.

We have seen that jobs are different depending on what industry you are in and jobs loss and unemployment rates are different depending on the job you are in and where you live in the state but also jobs have been highly affected in different levels. The chart from the Opportunity Insights Tracker shows that there are more high wage jobs +16,000 in Florida then there were in January (+1.5%) (making \$60,000+). A hit in middle wage jobs -2.3% (\$27,000 to \$60,000)

and a big hit in low wage jobs -15.4% (under \$27,000). In the middle of April about one-third of those low wage jobs those people were not working. You can also compare your area but using Duval County as an example, there is a bigger hit to high wage jobs than middle wage jobs and a much bigger hit to low wage jobs. Low wage jobs were closer to the U.S. level than Florida level and that is going to be our challenge. We appreciate what CSNEFL does in trying to help get people back to work and gain skills so they can move into industries that were less affected and that is very important.

Let's talk about the outlook now, how are we going to recover, how are we going to do it, Amendment 2 that is coming up on a constitutional vote and my concern as an Economist. At the Florida Chamber Foundation, we are always working on prosperity and our mission is opportunity for all people in every zip code. We are the only state chamber nationwide with a full time Chief Economist and staff dedicated to prosperity and getting people out of poverty. There are 870,505 kids under the age of 18 living in poverty in Florida. The Florida Prosperity/Poverty map shows the number of children living in poverty in every zip code in the state (www.flchamber.com/florida-prosperity-poverty-maps). We have found if we can kill 10% of those 870,505 kids living in poverty that would kill 16 of Florida's 983 zip codes and we work on that all the time. When you look at the Amendment 2 vote and economics, Florida is already 18% higher than the US minimum wage and those who live in North Florida are competing with Georgia and Alabama who stay at the Federal minimum wage. If Amendment 2 passes and we go to \$10 an hour by September of next year Florida would be 38% higher than the US minimum wage. The chart shows the numbers as it increases to \$15 (107% higher) and it adjusts based on the cost of living index. It will certainly cost jobs. FSU economic grad students reviewed the data and found this can cost Florida as many as 500,000 jobs during this period through 2026 which is a big shock. Job opportunities will be lost for the people you are trying to get out of poverty and into the workforce, many of whom have never been in the workforce or it has been a long time since they worked. It will be difficult to get them skills to be worth \$8.56 per hour yet alone skills worth \$15 per hour before they even get a job; this is really concerning. This also distorts perceived returns to education. If you are a high school student graduate who can go to work right out of school making \$15 an hour, are you going to invest in your own education (get a certification, go to a state college, get an AA degree, or a 4 year degree)? My theory if Amendment 2 wins, Florida will end up being less educated, less globally competitive and more difficult to get people to locate to the state. It will certainly be difficult.

What about in general? People always ask when we are going to come back and what is the shape of the recovery (V, U, L, W or WWW shaped...continuous ups and downs). I like the chart created by Dr. Rajeev Dhawan, Economic Forecasting Center, Georgia State University. His forecast says we have not recovered jobs lost since Q1 of this year and his shape that I call the "Nike Swoosh" (it is down then comes back up gradually). Different industries are coming back at different speeds. 1.1 million+ of Florida's jobs are in leisure and hospitality and those will absolutely be the last to come back. A Covid vaccine would need to be developed and widely distributed with many more treatments before we get tourism back. Tourism brings in +\$6 billion in state tax revenue and more than +\$5 billion of local tax revenue. It will affect our state budget. The Economic Estimated Conference expects sales tax revenue receipts to be down \$3.4 billion out of a +\$90 billion budget this year and \$2 billion the following year. Florida is not expected to be back until the middle of 2022. I believe Florida will not be back until the end of 2022/beginning of 2023 to the same number of jobs and not necessarily in the same exact industries but the growth of other industries. Construction, home building and delivery service industries are hot. Prior to Covid and since 2015 Florida was growing 1 out of every 11 jobs in this country bringing in \$1.19 million worth of adjusted gross income every hour of every single day. That is big!

Dr. Parrish encouraged members to watch the Florida Chambers Foundation daily forum “The Future of Florida” from 1-4 p.m. An important report will be released during today’s session that talks about the radically different impacts on small business based on industry and where you live and how devastating it has been for small business. The Foundation partnered with the Florida Small Business Center and HAAS Centers at the University of West Florida and have been doing economic analysis for 26 years. Dr. Parrish is the Chair of their Council of Economic Advisors and some of the results in the report are staggering. Their focus is small business (99 employees or less) and the percentage of net new job creation that comes from small business. However, when you see information on small business (2 out of 3 jobs) many times the information includes the SBA definition of a small business which can be as many as 1500 employees depending on your industry. A deep dive into this data to see how many jobs are created by this group (31-32% of Florida’s employment) and it has a big impact on Florida’s new job creation. Small business is not as well capitalized as big business and is having a much more difficult time. Many mom and pop business are not going to make it, we will lose a lot of diversity which will also affect rents and property values. It is also an opportunity for someone who always wanted to open their own business because store fronts will be available. We are currently in recovery and the sooner we get back to job creation the better off we will be. Any questions?

Question: What specific sectors of our economy are struggling the most, which ones are expected to rebound most quickly, is there a way to better understand how small businesses have been affected and the outlook for rural communities in the State?

Answer: This was discussed previously. The 2 areas with the highest percentage of job loss are the hotel industry and attractions (big and small). This is a big concern and worry. Many hotel chains will go bankrupt leaving many people out of work, however on the plus side, Florida businesses are doing marketing campaigns for Florida residents to visit attractions while they are not overcrowded. As far as coming back early, construction will be fine with low interest rates. Big projects that were put on hold should start building because a vaccine should be widely available soon but there will be dips. People are also buying properties and building homes outside the city centers and in rural areas...they want an escape. There are devastating things happening with small business and my concern is they have been a way to create wealth. I encourage people to get a trade and learn a skill because their probability of becoming a millionaire is higher when you create your own business and are successful versus an economic grad student with a 1 year’s master program under their belt. They are worth \$65,000 a year but I would need to hire 3 of them for what I can hire 1 electrician to come out to my house at \$100 an hour including drive time (live 22 miles outside city limits). The demand for trades is strong and will be in Florida for a long time. Unfortunately, a lot of created wealth is being used to keep business afloat which is a big concern. Some may have employed family members who could not get a job and I always think about lower income people who have been hit the worst especially with COVID.

Question: How can we convince our K-12 institutions to invest in our students, especially in high poverty areas like Putnam and Volusia County where 1 in 5 children live in poverty. The inequities are blatant, and they have learned to manipulate the cohort graduation rate to make it look like they are doing better. We have high percentages of minority students in these impoverished areas “disappearing” from data sets as districts withdraw them as going into home education programs or Adult Education. And how do we redirect the conversation to providing a high quality and rigorous education to ALL our children despite their zip code?

Answer: Great question. We all know about the correlation of graduating from high school or not (you will make \$250,000 more over your career). It is important. Florida runs on sales taxes and that is why those jobs are so valuable. The Florida Foundation has the Business Alliance for Early Learning and what they did was create “The Florida Gap Map” www.thefloridagapmap.org. They focus on 3rd grade reading scores, when children typically go

from learning to read to reading to learn. The map shows the 3rd grade reading score for every public school in every county of Florida. For instance, if it shows a 53, that means 53% of those kids are reading at the 3rd grade level or above with the rest reading below grade level. The business community has gotten involved to help with this issue by adopting any grade classroom at the schools in their area to make an economic impact. Our goal by 2030 is to have 100% of our children reading at 3rd grade level. Currently 58% of Florida's 3rd graders read at that level. If we get to 100%, we would not have to do economic development, social issues, kids going to prison would be cut way down...kids will be comfortable in school because they are keeping up, are so much better off, will earn more, and companies will come to Florida. Think about all the people that flock to St. John's county because of their schools. Once other counties figure this out people would not leave. We work daily with government, non-profits, and philanthropists and have people adopting zip codes as part of the Chamber of Prosperity initiative and the Florida Chamber and Chamber Foundation are doing more for this than any business group in the country. Dr. Parrish encouraged members to look at the gap map from the perspective that a school with a low reading score may be the best in that county because those kids may have never been read to at home, or showed up to school hungry, etc. and therefore look at it from the context that it is not a bad school with a low score, but a school that needs help. The business community is stepping up and understand what it means for the long term. A lot of positive things can happen if we can unite the business community to make a better place.

Question: This is not the first-time events have negatively impacted the tourism industry in Florida. Do you agree with some of the data you presented, that now is the time to expand efforts and bring manufacturing jobs into the state.

Answer: Yes, manufacturing creates high wage jobs and diversifies Florida's economy which is what we need. The average manufacturing job in Florida pays \$63,000 annually and is tracked on the score card for every county. Prior to the pandemic, Florida was creating manufacturing jobs at 3 times the US rate and we are proud of that. After getting involved with the Chamber Foundation I found out a report was done called Trade and Logistics and then Trade and Logistics 2.0 that identified half of our trains, trucks, ships and containers leave Florida empty. Florida is a big importer of goods and not an exporter of goods. Florida has to pay for inbound freight but when we don't send a backhaul of freight we are charged more. Therefore, customers and businesses pay more and we are less competitive. We need to balance the trade flow and have manufactured goods to put in that outgoing freight. This would create thousands of jobs, make us more competitive internationally, and consumers can save money and spend it on other goods. If you need to choose a way to diversify Florida manufacturing is number 1 in my book.

Thank you for the presentation and good information. Dr. Parrish will answer additional questions directly by including your email address. Again, thank you. The information you provided will help us with our strategic vision for the next year.

Annual Report 2019-2020 - Staff

The annual report for the period July 1, 2019 through September 30, 2020 was presented. The program year started out with little unemployment resulting in job seekers with the most obstacles coming in for more intensive services. The Pandemic ended the program year leaving the last quarter very much impacted.

50,000 job seekers visited the career centers serving 35,000 job seekers and providing 250,000+ services (help with resumes, navigating the workforce system, and job referrals). Populations served were 449 youth (very successful with a 90% positive outcome rate), 3,214 veterans and 2,011 job seekers with disabilities.

Over 2,700 business were served resulting in 23,683 job orders, 40,511 referrals and 281 job

fairs/recruitments (only provided through 3rd quarter due to the pandemic which would have increased the number; job fairs are now provided virtually.

Customized training to business resulted in 246 employees trained, 460 credentials attained (mostly in medical and nursing assisting, paramedic, and electrical apprenticeship training) at an average cost of \$1,243 per trainee.

Individual training scholarships provided 229 new training scholarships, 288 trainees earned certifications (mostly in nursing, practical nurse and radiographic technician) at an average training scholarship cost of \$4,874. There is a continued need in the health care industry.

Question: In spite of a very crazy year were those overall statistics positioning us where we need to be as a region in terms of performance? Reply: Yes, our performance for the program year met or exceeded every area except dislocated workers in credential attainment due to there not being many dislocated workers in that time period. We exceeded the more critical performance measures; it was a very good year for the region.

Operations Update - Staff

Regional unemployment is 5.2%. Baker 4.1%, Clay 4.1%, Nassau 4.4% and St. John's County 4.1% have the lowest rates and Duval is 5.7% and Putnam 6.8%.

Total employment in September 2020 was approximately 700,000 jobs (a decrease of 26,500 jobs from a year ago). 81% of those lost jobs (21,400) were in retail, leisure and hospitality industries. Our region also had the highest annual employment growth rate compared to other major metro areas in the state. Education and Health Services 400, wholesale trade 1,500, and financial activities 500 jobs increase.

The unemployment rates comparing Florida's Major Metro rates have Jacksonville at 5.2%, Tampa 6.2%, Ft. Lauderdale 8.2%, Orlando/Kissimmee 9.7% and Miami/Dade 12.8%.

There was a significant decrease in job order trends in April (1,356) and May (1,419) but an increase in September to 2,195. Visual job order trends also increased for the period September 2019 through September 2020, which is very encouraging.

Business at the career centers did not increase like we believed it would due to what we believe is a couple of reasons. 1) unemployed people returned to their previous job or found a new job, and 2) those still unemployed are not ready to get back in the workforce. The job search requirement waiver is still in place and expires December 5th and we anticipate an increase in visits at that time. People coming into the centers are seeking help with their unemployment claims and job searches. The highest number of scheduled appointments both virtually and brick and mortar were in June and then a gradual decline. Our Gateway and Southside Centers have the most appointments.

The TANF and SNAP programs participation requirements were suspended through October 30, 2020. Caseload numbers continue to be high but steady TANF 1,400 and SNAP 12,800.

There are 162 adults and 21 dislocated workers enrolled in WIOA Training Scholarships. This year we are shifting some of our focus to marketing services to customers, to those impacted by COVID, who are looking for a career change to get on a career pathway and

move forward.

Strategic Visioning for 2021 – Elaine Johnson

The Chair stated we have heard and received a lot of information today and as we go through this unplanned and unprecedented pandemic, it is time to do strategic planning. However, since this past year has not had an expectation level of continuity with people now working remotely from home, etc., we decided to call it strategic visioning because this year has been anything but normal and put us in a reset. No work will be done today except plant seeds of thinking so when we reconvene in January 2021, we will be moving down this direction. There are now new problems which yield new opportunities. We have seen how the CareerSource team can pivot and move to virtual job fairs, to close down centers and reopen them with thoughtful and safe protocols in place, and now we need to think about what this is going to look like for the future of our region. 1) What have we learned during this time that we want to keep? 2) What do we see as opportunities going forward that we want to start? 3) What are some expectations and understandings of services that we don't want to do anymore? The opportunities we have heard about are virtual job fairs and the need to make the trade industries cool again.

The Chair challenged board members to think about the following when you think about CareerSource and the work we do:

1. Who are our customers and how will that change over the next 2-3 years...who will our customer be?
2. What are the needs of small and large business going to be, what will we sustain and what will be some new opportunities into training, into services?
3. How will we change what we do from a response standpoint, i.e., virtual job fairs, mobile sites versus brick and mortar, in order to sustain and enhance the viability of our region and our ability to serve going forward and into the future.

Comment: Rebecca Livingston stated CSNEFL has started looking at shorter term needs versus waiting to see what happens. CSNEFL is looking at “leaning” our SNAP and TANF programs, in particular worker transition to see how we can best serve our customers and remarket our communication plan. We are getting local feedback and look forward to the board's perspective on how to approach the next 6 months.

Comment: Dr. Anna Lebesch noted there are 43 prospective companies coming to our region. Our diverse economy and targeted industries has helped in this unprecedented situation and the Chamber continues to work very active projects. Regionally we are being looked at as being responsive to what is happening and creative in how we continue to do the work we are doing. It has been positive for our business environment and we anticipate making more announcements with additional jobs before years end. The Chair added it is not about how we prepare ourselves for the next unplanned event, but how we capture this opportunity and continue to ensure we have a workforce ready to respond to those 43 growing prospects.

Next Meeting Date

Full Board Meeting: January 28, 2021, (Thursday), 9:30 a.m.– 1:00 a.m., location/format TBD.

Adjournment: The meeting adjourned at 11:00 a.m.