

Minutes
CareerSource Northeast Florida Executive Committee
Meeting June 23, 2021

A ZOOM meeting of the FCWD, Inc., Executive Committee meeting was called to order by Chair Elaine Johnson on Wednesday, June 23, 2021, at 9:01 a.m. The following members participated, representing a quorum:

Elaine Johnson	Jake Schickel
Wayne McClain	Darryl Register
Dr. Joe Pickens	Clay Lyons

Excused: Eda Edgerton

Staff: Bruce Ferguson, Rebecca Livingston, Cheryl Taylor, Jay Loy, Steven Dionisio, Melissa Terbruggen, Ron Whittington, and Diane Nevison

Others: Dr. Anna Lebesch (JAXUSA), Larry Fairman (Fairman Consulting), Julia Burns (Clarity Transition), Darrin Finley (POC Management) and others

Public Comment: None.

Consent Agenda

*Approval of Minutes

Motion made by Wayne McClain and seconded by Darryl Register to move approval the May 26, 2021, Executive Committee minutes as presented; motion unanimously carried.

*Youth Contracts

Three annual renewal out-of-school youth contracts exceeding \$325,000 are presented for approval: Eckerd Youth Alternatives, Inc., Generation USA, St. John's County School District designated for First Coast Technical College. Each contract performed admirable during this pandemic. **Motion made by Darryl Register and seconded by Wayne McClain to move approval the three WIOA 2021-2022 youth contracts as presented; motion unanimously carried.**

*Action Item: FCWD Inc 2021-2022 Budget

The 2021-2022 FCWD Inc. budget of +\$20 million was reviewed. WIOA formula funds (Adult, Dislocated Workers and Youth) received a 10% reduction, but TANF (welfare transition) funds received a 10% increase. WIOA had carryforward funds of \$1.5 million due to lack of training dollar utilization because of the pandemic that was plugged into training the 2021-2022 budget and will soften the 10% reduction in WIOA funds. Staffing levels and operational costs have held steady. Supplemental funding from the state is down \$500,000; those funds are being used for state level priority projects. Performance funding from CSFL has been awarded every quarter averaging \$65,000 per quarter and this year we estimated conservatively and placed 2 quarters worth into the budget. \$1.7 million has been put directly into youth contracts. Salary and fringe is our largest expense and is slightly over from last year with fewer FTE's and is expected to hold where they are right now; salary and fringe include a base increase of 3%, as well as an incentive up to 4% with an average usage of 2.8%. The IT line item has been increased to replace server and switches that will last several years and will help spend down carry forward dollars. There are big increases in the ITA training line item, customized training is \$500,000 and \$700,000 has been added for work experience and work-based learning to help employers offset onboarding costs for new employees and getting entry level less experienced workers up to speed. Current ITA students have \$500,000 committed to their training and due to our low spend rate, that amount was increased, and we are carrying forward \$1 million of pre committed funds to current students.

Any questions/comments?

Question - Wayne McClain: Regarding the \$1 million in unused training funds last year that is being put back into training, does that money go back into the same programs or can the money be put into another pot if there is a need, such as vocational education in our communities? Reply: Those funds are primarily for ITA scholarships, and it is up to the customer and customer flow. However, if customer flow is down and there is a need for vocational education training that is on the demand occupation list, the board can shift dollars and focus on vocational education, work experience or work-based learning.

Question: To be clear, if there is a need for welders and it is a demand occupation and there are jobs, the money can be put into welding? Reply: Yes, because welding is a demand occupation.

Question: How do occupations get on the demand list? Reply: The list is updated annually and is driven by DEO data. If there is a local need and the need can be demonstrated, we can add it as a local demand occupation.

Comment - Dr. Pickens: SJRSC is starting a welding program at the Workforce Training Center in late Fall or early January. Dr. Patterson has met with a couple of companies interested in helping us with some equipment and space has been identified.

Comment - Dr. Joe Pickens: SJRSC is hoping enrollment is only down in the single digits, but the Fall enrollment will start down, above 10% (FSCJ's numbers will be similar or possibly higher). And the population you are thinking of enrollment will be down more than that. SJRSC has recently benefited from a large increase in dual enrollment that helps overall numbers and masks the fact we would be down 12-14% if not for those dual enrollments. It is an interesting phenomenon. The economy is good now and there are help wanted signs everywhere and typically this is a time when enrollment is down because the economy is good but when you couple the economy with the unemployment benefits, the economy has never been better. That is where we are Systemwide. The Florida college system will be down close to 10% but in the

workforce arena that percentage could even be higher. Bruce stated that is good to know and will be tracked closely. **Motion made by Darryl Register and seconded by Wayne McClain to move approval the FCWD Inc. Budget FY 2021-2022 as presented; motion unanimously carried.**

The Chair thanked members for their discussion. As we move into our recovery and with the comments that help wanted signs are everywhere, it has been personally interesting to see restaurants diminishing hours and not opening on certain days because they cannot find labor and the recent headline space on the HR Professional Magazine "Turnover Tsunami Coming" this is a good state of the union Segway into the Operation's Update.

Operations Update

May 2021 Employment Statistics: May regional unemployment is 4.3% versus 11% in May 2020 with the state ticking up one-tenth of a point (seasonally adjusted). A report stated there are now more job openings in Florida than there are people receiving unemployment compensation. More people are coming back into the workforce which is good news. Each of our counties had improvement over the month and we are feeling that in the centers.

Total employment is up almost 50,000 jobs from a year ago. A nice rebound in Trade, Transportation and Utilities 11,500 jobs, Leisure and Hospitality 13,600 jobs, Professional and Business services 6,700 jobs and Financial Activities 4,900 jobs. Every job category has grown and is shown in the job orders received.

Florida Major Metro Regional Rates indicate Jacksonville is leading at 4.3%, Tampa at 4.6%, Ft. Lauderdale 5.2%, Orlando 5.4% and Miami 6.6%. Orlando and Miami are doing better but their struggle is still tourism and international tourism.

Operations Update - Center Visitor Comparison (center traffic/not virtual). There were a couple downward trend months. May had 2,611, March had 3,014, and June is on track to see 4,000+ visits (currently at 3,000). That is good news and is reflective of people out looking for work. The \$300 unemployment incentive ends next week, and the numbers should increase. People are coming into the centers to get help with their unemployment claims and filings but are having issues with the new "ID ME" method to prevent fraud. Claimants must prove who they are and that they are supposed to be getting benefits, but it has been a real struggle at the state level to implement it. The system is broken and because people are frustrated and anxious trying to make ends meet, anxiety levels at the centers are high because some desperate people are coming into the centers. Bruce wanted to make Executive Committee members aware of that. Staff prepared a list of hot button issues they are facing with the system and Bruce emailed it to the state to fix. DEO has a call center, and it is one thing to get yelled at on the phone but another when it is done in person. To help staff deal with this, staff training to diffuse situations is provided and off duty JSO officers are at Market, Gateway and Beach Boulevard centers. Customers are angry but their anger is not being directed at staff as much as to the situation which is helpful.

Business Services Update - Job Orders by Month: New job orders for June continue to be strong but leveled off to 3,000-3,200. The graph slides compare monthly numbers from June 2020 through May 2021, June 2019 through May 2020, and from January 2018 to present.

Job Order Trends by Targeted Industry: Manufacturing took a slight dip from April to May, Transportation and Warehousing are holding steady, Finance and Insurance had a huge increase and Health Care and Social Assistance a slight increase. Good strong numbers across a wide spectrum of opportunities.

June Hiring Events: There is a Return-to-Work Virtual Hiring Fair, June 24, 2021, from 10 a.m. to 1 p.m. The Employer and Job Seeker links are on the flyer and on the CSNEFL website.

The chair stated Bruce's comment that workers are returning is hopeful but what we did not talk about is the challenge to employers in bringing workers back into the workforce and is there going to be additional worker shift across companies. That is happening to the company the Chair is currently with now. 60% of their workforce structure is remote and their competition for workers is national. Bruce stated to piggyback on that, the labor market is also measuring the "quit rate" (how many people quit before they get a job) which was higher than before the pandemic and gives a signal that there is confidence in the labor force to quit a job before having another job.

Strategic Visioning Update - Larry Fairman and Julia Burns

The Fairman team has been working hard these past months to move the strategic vision forward. The Project Overview consisted of: Reviewed what is happening nationally related to published research publications and best practices. Conducted virtual partner and employer focus groups, individual interviews with partner/employers and jobseekers' interviews and national peer group bench markings. There were five person teams and many deep dives. In our work we learn what we heard and make recommendations to react, but today there will be no recommendations but rather findings so that Executive members can see what we learned.

Julia Burns, part of the Fairman team and gatherer of much of the data, will present the summary of findings.

Summary of Findings:

1. We are at a moment of significant market disruption and continued changes expected (COVID has shown employers and workers how work can and maybe should be different). The critical themes of flexibility and adaptability were clear in all areas of input from individual interviews to industry readings.
2. Power is shifting to job seekers and away from employer especially as demographics change and workers realize the potential power they have. It is a buyer's market, and the employee is the buyer. Companies that adapt will out-hire their competitors"!
3. The composition of the workforce is changing (aging, shrinking, and shifting to

majority non-white). The workforce population is shrinking. By 2030 the population of working age adults is expected to decrease by 5%. By 2030, one in 5 US residents will be at retirement age. Dropping global birth rate. 38% of Millennials and 48% of Gen Zers identify as a race or ethnicity other than non-Hispanic White. Gen Z is predicted to be majority non-White by 2026.

4. Increasing attention to access and address systemic causes. Systemic barriers have been a significant focus from 2020 events. Increased interest and demand to seek and provide solutions that are more equitably available to the most challenged job seekers (the "digital have-nots").

5. Workers want flexibility (hours, remote work) and may value it more than pay. Nine to five, Monday through Friday, is increasingly obsolete. Available technology and services from around the globe mean staying open more hours. Workers want flexibility so they can care for children and aging family members without paying costly care services and eliminate the time and cost of their commute. (One challenge from our notes in Orange County, childcare centers are only running at 55% and there is a waiting list). CSNEFL staffers echo these same findings for themselves. Some studies reveal workers will take flexibility over increased pay. As of May 20, the percentage of paid job postings on LinkedIn offering "remote Work" skyrocketed 457% from last year.

6. Gig work, though flexible, is seen as a sideline rather than primary job to most people. One in 4 people are engaged in gig work. One in 10 see it as their primary job, and less than 1% are online platform positions (Uber, Lyft drivers, etc.)

7. Technology is a growing divide between have and have-not jobs seeker.

The have-not group is characterized as those without access/comfort with technology, primarily older workers and those without high-speed internet access are at a real disadvantage. High speed internet access is a barrier like lack of transportation. For those who can work remotely, internet access replaces transportation. The digital divide is evident for employers in how jobs are posted, and resumes screened; technology changes the expectations for work and careers. For the first time, the partner focus group discussion centered around technology; soft skills alone are not the sole primary requirement. The ability to work remotely may also be a growing social divide along the lines of former white/blue collar divisions. While digital have-nots may not have computers or WIFI, they have smart phones but may lack data plans. Therefore, anything you want them to access should be accessible by phone.

8. Where remote work is possible, talent is no longer local. This will be the biggest disruptor in the long term of what the workforce will look like. This could have significant implications on recruiting, training and development may be quite different. So, a shift towards those who are held back by the digital divide and

those employers that must operate in person will likely be critical.

9. Partner providers may no longer need to be local. Virtual and synchronous options are likely to become more common.
10. Market understanding of CareerSource services and what we do is unclear and/or confusing across all segments. The perception is we only serve the low end of the job market, \$24/hour or less (likely lower employer capacity/sophistication, likely to be local and in person).
11. Employers are pivoting their ways in attracting and retaining talent. Competitive employers emphasize talent development, taking ownership of that process and utilizing incentives to recruit and retain employees, especially within the market segments that CareerSource primarily serves. Existing youth programs are seen as lacking impact. There is increased attention to seeking and preparing the most challenged job seekers. "By creating your own dumb barriers, you are actually making your job in the search for talent harder" said Obed Louissaint, IBM's senior VP for transformation and culture "It is about making managers more accountable for mentoring, developing and building talent versus buying talent".

Timeline

- Present Findings to Executive Committee June 23
- Draft Recommendations July 9
- Finalize Report July 16
- Board Presentation/Approval July 22
- Begin Iterative Implementation Process July 26

Questions/Comments:

Darryl Register Comment: Location based economic development is still critical in economic development especially in rural counties for growing our tax base. Taxes paid by industries keep counties alive and growing but we need to find how to provide the workers necessary to attract those businesses here. Recommendations will suggest people work where they live but as jobs become global they can be everywhere and as we hear that is place based service is going to be where a good workforce live.

Question-Wayne McClain: When talking about talking about flexibility and hours to serve their customers better, did that mean they saw the need to staff off hours, i.e., nights and weekends, or did that mean staff want flexibility in their schedules and not necessarily relating it to the job seekers? Reply: Yes, it is both of those things.

The Chair talked about the company she is currently aligned with as their Interim Chief HR Executive in Overland Park Kansas. The talent acquisition team in Overland had never connected to Kansas Works (our WFD counterpart). The Kansas company is struggling with several things, i.e., how are we going to return to work, where work will be, and how work will take place. We talk about hybrid models (flexible work arrangements) and other things have been included. As we prepare for our return to work in Kansas there are 900 total employees (in every one of the 50 states and a couple of territories), and only 200 reside in Kansas. What is interesting is the article referenced earlier calling it a buyer's market, but I am calling it a seller's market because employees are selling their talent. So how do you balance that with what the business model requires? Number one, where does the work take place... we are hearing the employees have a lot to say but it goes back to the economic development comment that the jobs are here, i.e., Baker County, Putnam County, etc. and it really is a workforce planning exercise for us and our employer partners to say (it really is a new way of thinking), when does the work have to take place and what kind of additional resources does this open us up to other than our traditional talent resources? It also goes back to the IBM comment, how do we reach out to the new pool of talent (what I am physically calling the last resort talent market? The truth is between the tsunami and the fact that we are recruiting for talent on a national basis. It is going to be this interesting opportunity from our CareerSource services, how do we help our employer partners think differently about who and how they hire.

Bruce stated along those lines of discussion in a pre-meeting yesterday there was discussion about place-based work. You have to be here where you have to be, and a good portion of our targeted industry is place based work, i.e., manufacturinghealth care delivery services, distribution, i.e., you kind of need to be there. There are a lot of place-based effort in what we are doing. Jacksonville has a huge back-office business process going on that we are going to need to be cognizant about. That is a good bulk of what we do, however IT work and even thin tech can be done anywhere you want it to be.

The Chair asked Fairman if they need input from the Executive Committee for the July 16th timeline? Fairman stated the short answer is senior staff will see recommendations in a couple weeks, and adjustments made that will be seen a few days before the board meeting. Instead of a 5-year plan, an iterative directional plan is envisioned.

Nominating Committee

The Chair reminded Dr. Pickens he was appointed as Chair of the Nominating Committee. Members include Dr. Pickens, Jake Schickel and Eda Edgerton. Bruce Ferguson will reach out to schedule a meeting in order to present a slate of officers at the July 22, 2021, Full Board meeting.

Next Meeting Dates

Full Board Meeting: July 22, 2021, 9:30-11:00 a.m., University of North Florida (University Center), 12000 Alumni Drive, Room 1058-1, Jacksonville, FL

Executive Committee Meeting: August 25, 2021, 9-10:30 a.m., Location/Format: TBD.

Adjournment: 10:04 a.m.