

HUMAN RESOURCES INVESTMENT COUNCIL

**Thursday, January 20, 2005
1:00pm – 4:30pm
Statehouse Room 11 Montpelier**

Meeting Minutes

Members Present:

Tom Leever, HRIC; Gerald Brown, VCQ; Pixie Hankinson, VAL; Maynard McLaughlin, Breadloaf Corp; David Nourse, Chittenden Bank; Frank Cioffi, GBIC; Neil Gruber, Helen Porter Healthcare; Peter Kriesel, Peter Kriesel, LLC; Phil Hammerslough, VABIR; Stephen Marsh, Community National Bank; Rick Milliken, The Clarion Hotel; John O’Kane, IBM; Richard Palmisano, Retreat Healthcare; Robert Clarke, Vermont State Colleges; Wendy Koenig, AVIC; Pat Elmer, Vermont Associates; Patricia McDonald, DET; Charles Smith, Agency of Human Services; Richard Cate, DOE; Mike Quinn, Dept. of Economic Development for Kevin Dorn, Agency of Commerce & Community Development; Janice St. Onge for Daniel Fogel, UVM; Carolyn Kehler for Donald Vickers, VSAC; Tom Whitney, American Federation of State, County, and Municipal Employees; Hal Cohen, CVCAC; Jan Marinelli, Senator Jeffords Office; Representative Kathleen Keenan, VT House; and Senator Donald Collins, Vermont Senate.

HRIC Guests Present:

Dr. Joseph Stoltz, Department of Labor; Lt. Governor Brian Dubie, State of Vermont; Senator Wendy Wilton, VT Senate; Rep. Connie Houston, VT House; Rep. Jim Condon, VT House; Rep. Michael Marcotte, VT House; Rep. John Morley III, VT House; Rep. Michele Kupersmith, VT House; Rep. Robert Starr, VT House; Rep. Tim Jerman, VT House; Rep. Clint Martin, VT House; Rep. Mark Young, VT House; Rep. Ernest Shand, VT House; Rep. Warren Kitzmiller, VT House; Rep. Jim Masland, VT House; Bob Phillips, Barre Technical Center/Spaulding High School; Jim Starr, Enosburg Falls High School; David Rubin, CVCAC; Kevin Wiberg, CVCAC; Allen Goodine, VTC; Curtis Trousdale, Panurgy; Greg Saylor, VT Associates; Tom Davis, VTHITEC; Thom Serrani, AGC; Beth Hulbert, Associated General Contractors; Diane Dalmasse, Voc-Rehab; Al Jacobs, Voc-Rehab; Tom Douse, DET; Nancy Burzon, Rutland Workforce Investment Board (WIB); Spike Wellman, Northeast Kingdom WIB; Eric Peterson, Central Vermont WIB; John Sullivan, GMTCC; Thomas Hark, VYCC; Mary Sprayregen, LCRCC/GBIC; Betty Deboer, DET/GCEPD; Kevin Bell, Graduate Center of Marlboro College; Arthur Scott, Graduat Center of Marlboro College; Conor Casey, VSEA; and Eli Crittenden, VANPO; Chris Kuhn and Tracy Steen, Northlands Job Corps; Karen Lynch, Lamoille Economic Dev. Corp; Gerry Ghazi and Julie Davis, VTHITEC; Bonnie Nash, NEKWIB; Heidi Scheuermann, Senator Jeffords Office; and Senator Claire Ayer, VT Senate.

Staff Present:

Chip Evans, Executive Director and Denise Bergeron, Secretary, HRIC.

Welcome:

Tom Leever, Chair of the Human Resources Investment Council called the meeting to order at 1:00pm and welcomed the HRIC members and guests. Tom announced that we have a guest speaker, Joe Stoltz, Regional Administrator for Employment and Training, US Department of Labor, Region I, here to tell us about the challenges we face regarding global competition.

Lieutenant Governor Brian Dubie:

Lt. Governor Brian Dubie introduced Dr. Stoltz who has a Ph.D from Boston University, is an Economist and Lecturer at Northeastern University and has worked for the Department of Labor for thirty years.

Trends in the Vermont Economy and Implications for the Future:

Dr. Stoltz commented that globalization is a word that describes a worldwide change in the market and demand for goods and services that drives jobs in Vermont communities. He pointed out that from 1947 to the present we have tried to get out of recessions by adjusting trade policies. I tariff you then you can tariff me. Today, we are virtually free trading with the world. The European countries are using a single currency. Our largest competitor is China due to lower labor costs; the labor market is now changing throughout Asia. To stay competitive we must produce a higher quality product with lower costs. New companies today are called Multi-National Companies. Some US companies here are exporting goods and have increased their sales by 20%. Manufacturing is declining in the US, while the service sector is growing. The new economy today is the Information Sector. In the 1990's we were about dot.coms, we automated by using technology. As a result, skill requirements for many jobs have moved up. Recently we have heard a lot about outsourcing and off-shoring. The terms are often confusing. Outsourcing is sending jobs outside the firm. Off-shoring is to send jobs overseas.

He commented that the article, "Grow Faster Together or Grow Slowly Apart" published by the Aspen Institute, and handed out at the meeting, states that there are three challenges, workers, wages and skills. Dr. Stoltz stated that there would be an absolute shortage of workers due to the declining birth rate and the retirement of the baby boomers. There is a wage gap where full time male workers aged 18-64 with a college education have experienced a 30% wage increase. Others have a 20% drop in their wages. Regarding skills gap, the share of workers with a post secondary education grew by 20% through 2000. This was very positive, however there will be a leveling off. By 2020 there will only be a 4% increase, yet 80% of high growth jobs will require a post secondary education.

Panel Discussion and Q&A – What do these economic changes mean for Vermont?

Mike Quinn, Commissioner of Economic Development said, we need to work with students from early on in their education. From a strategic standpoint we can look at education and economics and keep, expand, and recruit companies. We can enhance entrepreneurship and invest in companies through training programs, which means workers can earn more. We want to see individuals receive 4%-6% raises rather than just raises that just try to meet inflation.

Pat McDonald, Commissioner of the Department of Employment and Training said, my passion is workforce development and we need this to be competitive. We need to work together, look at our resources, bring the employers to the table and we need to talk about technical skills and soft skills. There are good career tracks for students other than just college. In Switzerland or Austria graduating from a top technical center is like graduating from college here. Vermont can offer a highly skilled workforce, only if we can provide the necessary education and training.

Richard Cate, Commissioner of the Department of Education said, I think we need to build more bridges between education and employers. DOE's "High School on the Move" initiative is working on this. Many students do not learn well in a classroom setting. There are better alternatives for them, and we need to translate this into alternative ways to meet standards. The mission is to have all students be successful in school and in the workplace. At school we can help them to learn and to succeed, but we need to be flexible. What are the student and employer's expectations of what skill students should possess when they finish school? He commented that he would like to talk to students directly. You need to start with the students early to see what their potential is. The bottom line is we need to all work together.

HRIC Business Meeting

Tom asked for a motion to accept the October 20, 2004 meeting minutes. The meeting minutes were accepted as written.

Advancing the Challenge Statement – Brainstorm

Tom and Chip introduced the Draft Workforce Challenge Statement that the Executive Committee has been working on. Tom began by reading the four items listed on the bottom of the challenge statement. Then asked those present if they agreed with this basic direction. There was agreement that we should add a flip side to the Challenges that lists data points that support the need for action, such as those Dr. Stoltz quoted to show that there is a problem in Vermont that we must address. Chip agreed to prepare these. Those present expressed support for the Challenge Statement. Tom then asked for the Council's ideas about who the target audience should be, and how we can best deliver it? Chip logged suggestions on a flip chart. A copy of those suggestions is attached and will be used to guide the next steps

Report on Strategic Plan Activities:

- 3.9 Commission on Higher Education Funding – Recommendations

Wendy Koenig, President, Vermont Independent Colleges, said that their charge is to work with the Legislature to increase student aid. The Governor recommended a 3% increase in funding for higher education. Public education and higher education works well and cooperates together now. The cost of education in this state such as public college in Vermont is higher than across the country. We have good financial support from our Legislature.

Reorganization Plans at the Department of Employment and Training:

Pat McDonald, Commissioner of the Department of Employment and Training circulated two handouts, one titled, State of VT Executive Dept., Executive Order, merger of Dept. of Labor & Industry and Dept. of Employment & Training. The second handout was a press release titled DET to consolidate offices and provide a new delivery system. Pat informed everyone that DET would have a new name, "Department of Labor". The focus will be on job seekers, employers and strengthen critical areas. Between 2004 and 2005 we had a very serious funding problem, a shortfall of three million-dollars at the Department of Employment and Training. She pointed out that DET spends a lot of resources on overhead. Even with cuts in overhead, she expects that fifteen positions will have to be "rified" (reduction in force). We hope through normal attrition and retirement that we will not have to have any individuals laid off. She pointed out that while we are closing offices we are not leaving the towns, we will be looking for less expensive space. DET plans to close six offices and maintain six hub offices. They have had offers of free space from non-profits and local libraries. The Vermont Job link website has been very successful, and will allow DET to expand access to the system. DET will post an 800 telephone number and train people at libraries to be able to use our system. She commented that we need to work harder and be smarter, share our resources, as there is less funding available. This is huge and there are a lot of decisions to be made before July 1, 2005. We have set up an Intranet website and comments can be sent to: merger@det.state.vt.us She is interested in your input. We want to make things better and more responsive. We need to restructure the funding to retrain and offer career development opportunities for our employees. We need to send employers employees that really fit the job. We need to try something new.

Meeting adjourned at 4:30pm.

HRIC

1/20/05 Full Council Meeting

Brainstorm of ideas for Rolling out the Challenge Statement

DRAFT for Member Review and Comment

Strategy:

Present to interested boards and organizations, and ask for reaction to or affirmation of the Challenge Statement

Target Audiences for Presentations:

Vermont School Boards Association

Local school boards - Run by the VSBA to tailor the message

Vermont Education Association - Run by the Association to tailor the message

Superintendent's Association

Selected Legislative Committees

Local Organizations - Rotaries and Chambers

State Chamber of Commerce

Vermont Association of Independent Colleges Board of Directors

Vermont Business Roundtable - to reach CEO's

Regional Development Corporations

VABIR and VR Advisory Councils

Tech Center Advisory Boards

Guidance Counselor professional association

Broader Audiences:

Use local press, radio and TV programs, such as Switchboard and Mark Johnson

Op Ed pieces in newspapers

Vermont Council on the Humanities - Local library discussions

Develop a video with interviews of Vermont leaders in public and private sectors

Talk to VPR or VTP about a documentary