



**Ohio House Government Accountability and Oversight Committee
House Bill 512 Testimony
Ryan Burgess, Director, Governor's Office of Workforce Transformation
February 27, 2018**

Chairman Blessing, Vice Chair Reineke, Ranking Member Clyde, and members of the Government Accountability and Oversight Committee, my name is Ryan Burgess and I am the Director of the Governor's Office of Workforce Transformation. I'm here today to express my support for House Bill 512, which will enable our education and workforce systems to better prepare Ohioans for the jobs of today and tomorrow.

The Office of Workforce Transformation was created six (6) years ago because our education and workforce systems have traditionally been siloed and fragmented – and most concerning, misaligned with the needs of Ohio's businesses. The role of this office, and the role of the executive workforce board, is to engage the thirteen (13) state agencies that offer education and training programs to ensure coordination and collaboration.

Significant progress has been made, but there are many workforce challenges that still need to be addressed. No single solution or larger amount of money will completely address these challenges, but House Bill 512 is the next logical step in making sure Ohioans are prepared for the 21st Century Knowledge Economy. Organizational alignment will go a long way.

House Bill 512 addresses many issues our stakeholders experience daily:

- First, the education and training institutions that prepare individuals for current and future jobs, and the businesses who are hiring those workers, do not talk to each other nearly enough to help one another or the system succeed. More importantly, the lack of communication jeopardizes the success of our current and future workers.

And it's not just business and education leaders who don't communicate enough. Stakeholders within the education and workforce systems fail to collaborate, too.

- Secondly, our education and workforce systems are not developing the skills and competencies that job creators are desperately looking for in employees. Expensive and outdated, operating models that lack the agility to quickly respond, based on how these systems are currently designed, cannot keep up with the speed of technological change. For historical context, the percentage of our country's adult population with agricultural jobs changed from forty (40) percent to two (2) percent over the course of seventy (70) years. Today, that caliber of transformative change might only take 70 days. For example, just a few weeks ago, I met with a leader from a community college. He conveyed to me that an IT certification that the college offered, which initially guaranteed students a job, proved less useful the following year, when the same certification merely guaranteed students interviews, if they were lucky. The needs of employers had changed, and it only took a year for the course content to become obsolete.

For a private sector comparison, with the advent of the on-demand economy, many industries are moving away from a business model where companies are hubs of jobs. Instead, they're becoming platforms for jobs. Think Airbnb or Uber. These business models were built with the consumer in mind. Instead of delivering hospitality or transportation the same old way, these companies now offer the best solution for their client by leveraging technology and once under-utilized assets.

When Ohioans and Americans were moving from fields to offices, our education and workforce systems may have been properly organized with what the economy demanded.

But, now that we're going from offices to the cloud, we need to change the way we deliver our education and training services to keep up with the type and speed of change in our economy. If 65 percent of our elementary students will have jobs that don't exist today and 47 percent of our current jobs are at risk due to technology, we must transcend the status quo.

We cannot afford to squander this opportunity to re-engineer Ohio's operating platform for continuous learning. If we do:

- Workers, job creators, and Ohioans will fail to live up to their full potential. Job creators are struggling to fill open positions – roughly 130,000 any given day on OhioMeansJobs.com – which is slowing plans for business growth; and
- Ohioans will not possess the skills they need to get good-paying jobs and to compete in a fierce global economy. This is commonly referred to as the “skills gap.” Higher levels of worker productivity create higher wages, and it's difficult to be productive if you lack the basic skills Ohio businesses require. We are facing new competition; not just competing with Indiana or even India. We are racing to augment Ohioans' God-given talents with automation and technology.

Many of the conversations I've had over the last week about this legislation have been about the impact on the state agencies. I've been asked if I'll lose my job. Or who's gaining power? Or who's losing power?

Let's reframe the House Bill 512 conversation with the following Ohioans in mind;

- The proper focus should be on the 8th grader in Federal Hocking Local Schools who is trying to figure out how to match her passions and interests with a career pathway.

- The proper focus should be on the entrepreneur in Youngstown who is trying to find the talent she needs to grow her great idea into a thriving business.
- The proper focus should be on the 55 year-old single mother in Toledo, who provides for her two kids who are about to graduate from high school, who just lost her job, and must pivot to a new industry.

House Bill 512 will help in the following ways:

- To the eighth grader, I'd tell her that she'll have greater clarity of her options, because her teachers, future post-secondary instructors, and business owners will all be working together to ensure that everything she is studying will have relevance to a job she'll someday hold. Degrees and programs will no longer be made in a vacuum, leaving young people with expensive pieces of parchment paper and no job.
- To the entrepreneur, I'd tell her that business owners across the state will now have an easier way to communicate with policy makers who can help shape programs that will create world-class talent. The Governor's Executive Workforce Board, which is staffed by the Office of Workforce Transformation and comprised of business, labor, non-profit, and education leaders across the state, will have a seat at the table with education policy leaders to ensure better alignment between the preparation for work and the actual demands of work.
- To the 55-year-old mother, I'd tell her that the labyrinth of re-training programs at our OhioMeansJobs centers, community colleges, Ohio Technical centers, career centers, and public libraries will be made easier to navigate and meet her needs because of enhanced coordination and collaboration.



To create a culture of continuous learning beginning with our youngest learners, we need a single operating system, instead of three, allowing us to swiftly interchange “apps” to meet the needs of growing businesses and their employees in Ohio.

A unified and consistent voice from the State of Ohio, instead of multiple differing voices, will empower local communities to address their talent challenges.

If we believe that local collaboration will lead to a stronger workforce, we must set the example in state government.

We are not alone. Our entire country is facing the challenges of shifting demographics, technology and automation. To illustrate this point, Governor Kasich frequently invokes the imagery of an approaching tsunami that hits while we're all hanging out in our hotel rooms. Although tsunamis can bring tremendous destruction, there is also creation in the aftermath.

I believe technology will create new jobs and opportunities leading to thriving communities across Ohio. Let's position ourselves, so that we can embrace the digital age and knowledge economy. Together, with the reforms proposed in House Bill 512, we can create a stronger Ohio.