

**JULIE TALBERT:** Hi, good morning. My name is Julie Talbert and I am representing the Heart of Texas Workforce Development Board and our JARC project is Six to Success. I wanted to start off and just ask, who's familiar with Workforce Investment Boards? And who works directly with them through some type of partnership? Okay, not too many. Well, we are—as Dan mentioned, our workforce board received the state's—we were the first workforce board in the state of Texas to receive a JARC grant. We also—we were the first agency in our region to receive a JARC award. And so, over the last two and a half years that we've had this in process, I have become completely convinced that I just don't know how this happens without the involvement of workforce boards in other JARC projects. I think it's absolutely critical to access the business relationships that are available through the workforce boards as well as some of the funding that's available for what we call in the workforce world supportive services. We do have a transportation—or gas cards—to help people access both employment and educational opportunities that are—the very basis of what workforce boards do is connecting job seekers with business opportunities.

So the broad overview for our workforce board is the business that we're in is really planning, evaluating, overseeing the workforce service delivery in our region. And in the state of Texas, which is a very large state, we have 28 local workforce boards. And so the idea is that local decisions made about targeting employers and knowing what those target occupations are, those areas of growth are, are critical to building strong, economically thriving communities.

So our workforce board is made up of about 30 individuals, and this varies from board to board and how large your kind of workforce area is. But the law states that more than 51—or 51% or more of the board membership has to be represented by private business interests. And so, again, this is a monthly—if your board meets less than that—this is an opportunity on regular, on-going basis to access a number of business leaders in your community or your region.

Beyond that, we also have our One-Stop systems, which many employers come to our One-Stop to do job fairs, to try to connect directly with job seekers that are out there. Our two primary customers, of course, are businesses and job seekers. And our job is to try to connect them. Throughout the One-Stop Service delivery system, we've got six in the Heart of Texas region, a very large one in Waco, which is our largest city in the region, and then five smaller ones in each of the county seats. Through those One-Stop Service Centers, you have access to so many different services that are available. Again, this is just another inroad into getting connected with job seeker needs and business needs. You have funding that touches the TANF funds, the workforce investment act funds. You've got child care located there, adult education, postsecondary educational—the higher educational institutions in your region are also available through those.

And so there are many opportunities for you to try to figure out if the first door you knock on, if they're not understanding the importance of public transportation and its development and expansion in your area, you need to keep knocking on other doors. When we started our project, we were very—we were hearing directly from job seekers and our case workers through the One-Stop systems that they were not able to meet their performance measures or they were struggling. They had job seekers

and they had jobs, but what the most critical issue they were facing in many of our rural areas was the mobility of the workforce.

And so we were very aware of the fact that we needed to do something about that. If we were going to change what was happening out on the ground, we needed to bring this public transportation service to the customers. And so we were involved with our regional transportation coordinating council at the time. Oh, and I have a slide I wanted to show you. If you can see this, this is the Heart of Texas region. One of the plans, or one of the projects that came out of our coordinating regional plan was the desire to pilot a rural to urban public transportation system. And so, to figure out where we would do this, we used, of course, part of our plan. And this transit index—I'm going to step over here. This is the Waco area and then we come to Marlin. And those purple spots on the map show those areas of the highest public transportation need.

We have—many of those spots have residents living in those communities where there is more than a 20% of the households do not have access to any form of transportation. And so, again, if we were going to start getting the support of both businesses as well as our elected officials, we want to show them that we're going to be using our funding where the need is the greatest, where the impact is going to be the greatest.

And so we embarked on a pilot project that was funded by a JARC contract that runs six times a day from Waco into the Marlin area and back. And then we also had an interest in a new employer that had just moved to our region, the Sanderson Farms. They're a poultry processing plant. And we targeted this industry initially because of the match between residents in parts of Waco and then, of course, in the Falls County area that were a good match for a low skill, entry wage paying position. And because Sanderson Farms was off the current urbanized system, we knew that this was going to be a real challenge for their hiring. They had a plan to hire about 1,200 individuals and we knew that the mobility of the workforce was going to present a real challenge to them as the months went by. And so they became our primary employer that we targeted to involve. This conversation that we've been having with Sanderson Farms over the last several years has gone slowly but consistently and I'm happy to say at this point Sanderson Farms is our largest private business contributor as far as cash contribution into the service, and really has asked for us to use them as a leader in our region to step out and encourage and involve other private businesses to do what they've done because they now really understand the benefit and the value of this service to their bottom line.

**AUDIENCE MEMBER:** [inaudible]

**JULIE TALBERT:** Yes, the purple is the very high need. This transit need index is made up of six demographic indicators. The purple is the very high need and then if you can see over on the left side of—high is highlighted in red, and then above average is the pink area, and then yellow is average, and then what does the other—yeah, it goes from something to the light blue, which is low.

And so another reason that the Marlin area was a good place to start was looking at how the demographics break out in that area. It's very high poverty, high unemployment, low wage, as well as looking at low education attainment, as well as the age cohorts. And we have a very workforce-ready

age cohort out of Marlin, which is different from a couple of the other high need areas that are really representing more retirement age, which is not, you know, the bread and butter for workforce development boards.

Okay, so I wanted to tell you, starting on Tuesday, we're actually going to be beginning our evening—the region's first evening service, which for the last few years, we've been—these six trips a day have fit into Waco Transit's regular, fixed routes system that takes employees to Sanderson Farms to match up with three of their shifts. It only takes them home from one and through our onboard surveys over the last couple of years, both—well, primarily the passengers at this point—the primary need that they keep saying how to improve this service would be getting them home from that second shift, which ends about 12:30 at night. And so, since our transit provider only operates during the day, this really is quite expensive. The cost for the service increases a lot when you have to look into providing supervision and maintenance, dispatch, that type of thing at the midnight hour.

And so we have—because of this ongoing conversation that I've had with the human resource director at Sanderson Farms, we have been able to really align our goals. And for Sanderson Farms to understand the impact, looking at the line item on their budget for this service, not focusing on that so much, but on the reduction of their cost of turnover, which is quite high. And this is a really important conversation to have with businesses who don't understand what the value of public transit might be and why they would be contributing to this. If they're looking at that line item on their budget as simply a cost, you're not going to get very far in the conversation with them. And so you need to be able to turn that around and talk about the value of the service to their bottom line.

And our situation, this conversation took several years to get to the point that we are at now. Also starting on Tuesday, they are going to be first employer in the Heart of Texas to take advantage of this pretax benefit to deduct the cost of the monthly passes from their employees and take advantage of the tax benefits around that. Again, this has been an ongoing conversation with our employers, trying to help them understand, you know, getting them to articulate what their needs are, what their concerns are. And of course, for that second shift HR director, her primary concern was people not having—their employees not coming back. They're dealing with about a 350% turnover rate. And the primary reason that when their employees leave, the primary reason they give for why they're leaving Sanderson Farms is because they don't have a way home. The transportation is too limited. And so we're starting on Tuesday with about 40 people on this employment shuttle and their—from Sanderson Farms' side, they think they're going to have over 100 riders on this before the end of the summer. And so we're very excited about that, and then expanding this service to our other two poultry processing plants that are located within the urbanized area and have day service already.

So, how does that sound so far? Okay. Should I keep going a little bit? Okay. Well, I wanted to mention to you a couple of other opportunities that we took advantage of in terms of building our budget. For those who are receiving JARC grants or are familiar with the project, you know you have to put together a budget where 50% of the budget is coming from local in kind or cash contributions. And as I mentioned, Sanderson Farms is a cash contributor. The workforce board, we in kind a lot of staff

time to the oversight of this project and the administration of it and some of our outreach. And then the cash contribution that we put into the project comes from our TANF allocation.

In addition to that, while we were putting this together, workforce boards are very interested in training opportunities and education for customers. And so we involved from the very beginning our community college, as well as our technical school, and talked about them about what their current needs and issues were. And part of it, of course, is expanding their student population as well as retaining students. They were aware in different parts of the organizations or both of these colleges the barrier transportation was really causing some of their students to not be able to get to their main campuses. And they had tried to address this by taking satellite courses out to these various communities. The results of that were not getting them where they wanted to go. And so their involvement in the project, they contribute both cash and in kind when they go out in the spring semester to recruit from the area high schools along this route. They take out materials and they're able to address what the younger population—some of those, many of those are eligible for our Workforce Investment Act in school and out of school projects. They're able to talk directly to the students about how transportation is not a barrier for them taking advantage of some of these educational opportunities and also our summer youth programs that have been very successful getting them into Waco to take advantage of some of these.

In addition to that, bringing public transportation into a new market, we also knew the three-year funding period for the JARC projects, it takes time to build ridership and to sustain a project beyond that three-year time. And so we were very aware of the fact that we needed some private business supporters in the Marlin area and throughout Falls County. And so we went out having visits one-on-one with various local banks in the area as well as insurance companies and the local hospital, talking to them about the value of this. The banks and the insurance companies were very different from, obviously, from Sanderson Farms. They weren't looking for employees. What they're looking for is customers. And so the conversation we were having with the banks was what happens to your customer base when in a very low income earning community, you all of a sudden have opportunities to employment not just at Sanderson Farms, but the stop that the service makes when it first comes into Waco is at the Waco Transit terminal, where people are able to get off at no other cost, transfer to the eight other fixed routes that are available, and get to the schools or to any other employment destination in Waco.

This really keyed in for the banks and the insurance companies for two reasons. They saw a real return on that investment for their customer base for economic development in their communities and really spoke to their civic duty. They're living in a community. Most of them have been there for a generation or many more generations. They're very concerned about the sustainability of their city and what's happening to it. And so it really spoke to both their business need and also their commitment to doing something, giving back to their community.

And so we brought all these partners on. We had about 22 partners at the—with our initial proposal two and a half years ago. And even though our economy was as it was, and is, we kept all of our partners on for our proposal that was due in December, as well as added quite a few new partners/.

Which is another very important thing to bring if you're submitting a JARC proposal is the partnerships because these—if you've got one person or one agency who's willing to put in all the money, you're not going to get there. Partnerships and relationship building are really everything with moving this metric forward and sustaining and expanding a public transit infrastructure. And I think I'm going to stop with that. So take any questions now or later?

**AUDIENCE MEMBER:** Julie, what would you say, in terms of the addition of the second shift return transportation, what percentage was being covered by employers and what percentage by other funding sources in terms of the cost of that? Do you have a sense of that?

**JULIE TALBERT:** The primary cash contributor to the project, is that what you're asking?

**AUDIENCE MEMBER:** Well, sort of the breakdown of the different sources, roughly.

**JULIE TALBERT:** The workforce board is the primary cash contributor to the project, then followed by Sanderson Farms, and then both of the educational institutions.

**AUDIENCE MEMBER:** And the rough ratios of percentages?

**JULIE TALBERT:** Yes, I would say --

**AUDIENCE MEMBER:** Just ballpark.

**JULIE TALBERT:** Yeah, I know, I wish I had my budget in front of me. I would say the workforce contribution is probably 50% of—well, I guess it would be 25% of the entire budget followed by Sanderson Farms at about 15%, and then the rest of them in lowering increments.

**AUDIENCE MEMBER:** That's a good business contribution. That's great.

**JULIE TALBERT:** Yes, yes, we're very happy with it. And they did more than triple their cash contribution during this second funding request. And again, it was because they know—we're no longer looking at that budget line as a cost, but as a return in a value to their bottom line.

**AUDIENCE MEMBER:** What do you believe was the biggest selling point to the business partner? Because we've worked with the casinos trying to get them to invest, and it's a hard sell.

**JULIE TALBERT:** Oh, yeah.

**AUDIENCE MEMBER:** You know, they said we have the jobs. If people want them, they'd get here. So just tell me one of the biggest selling points for Sanderson Farms.

**JULIE TALBERT:** I think for Sanderson Farms, it was time. They really had to see it for themselves. At the beginning, I really believe that their initial cash contribution, they were doing it almost to be a good neighbor. We're a new neighbor in the region and so we're just going to kind of give you a little bit of money. But they'd done their labor market research. They knew that the workforce was available and they did not think transportation was going to be an issue. And so, you know, right after the service started, I began submitting, you know, monthly ridership information to all of our partners that were

involved and slowly having that conversation. Sanderson Farms, you know, within the first 90 days, 50%, 55%, 60% of all riders were using it to get to employment there. And that, you know, again opened another door to continue the conversation about that.

So I think seeing really is believing. If you can somehow with the casinos—I think the other piece that got Sanderson Farms to go up on their contribution was some information that I provided to them that came probably originally from the Society for Human Resource Management about the cost of turnover and slowly started having that conversation with them about what are they paying every time someone leaves, which is every day there. Their training costs and hiring costs around that. And then, you know, really connecting them with resources. I certainly—I knew very little about public transit when I got into this. I'd used it myself. But that's another, I think, key point of the workforce board is that we're connected to so many people and it's just like finding those resources and keep feeding them and getting them to talk to people who speak their language.

**AUDIENCE MEMBER:** Could you elaborate on your pretax initiative. Was that a federal, state, or a county, or city piece of the incentive?

**JULIE TALBERT:** Well, we're taking advantage of the federal pretax benefit. We've not done this in our region before. And so I think the selling piece for this with the HR department was hearing back from our onboard surveys of the passengers as well as directly from their employees how difficult it was to always have cash in their pocket to pay the fare. And again, this was one of the reasons. They weren't necessarily looking at this as what, you know, the reduction and the payroll tax is going to do for their business, but getting those employees to work and home every day. And so they understand that there is an incentive for—or a reduction in the cost of the monthly pass for their employees if they do this on a pretax basis. And so that was really what got them interested in it.

**AUDIENCE MEMBER:** Did you—you said you talked to the employers about the reduced cost of turnover. Did you try to quantify that in any way?

**JULIE TALBERT:** Yes, we did. And there is, I don't know if I remember it off the top of my head, but you can find different breakdowns based on different industries. And so that cost of turnover there was a specific amount that SHRM, the Society for Human Resource Management, put out there. And if I remember correctly, I mean, the cost of turnover is, for the manufacturers, was basically equal to one year's salary, or you know, the annual wages for each person when you quantify that. And so, again, that was part of the, you know, doing the math, helping them see the benefit of their contribution.