

**MINUTES OF THE
WORKFORCE DEVELOPMENT BOARD**

January 22, 2009

The Macomb/St. Clair Workforce Development Board met Thursday, January 27, 2009 at the Michigan Works Office, 43630 Hayes Road, Clinton Township, Michigan with the following members present (✓ denotes private sector):

AT ROLL CALL:

- | | |
|------------------------------------|--------------------------------------|
| ✓ Frank Blowers
John Bozymowski | ✓ Mary Matuja
Mike Moran |
| ✓ David Brandt | ✓ Scott Orts
William Peterson |
| ✓ Robert Doetsch | Gary Polulak |
| ✓ Patti Gendernalik | ✓ Charles Shaw
Rene Stephan |
| ✓ Carl Gervason
George Kovtun | ✓ Kristine Tremble
Jennie Tunnell |
| ✓ Mike Kramer | |
| ✓ Dominic LaRosa | |

ARRIVALS AFTER QUORUM CALLED:

Erin Smith

MEMBERS ABSENT:

- | | |
|------------------|-------------------|
| Lillian Adams | ✓ William Morelli |
| ✓ Patricia Anger | Angelo Nicholas |
| Ken Austin | Philip Papes |
| ✓ John Daoud | ✓ Rick Regan |
| Nancy Falcone | ✓ Paul Reiz |
| ✓ Peter Keating | |

OTHERS PRESENT:

John Bierbusse	Diane Weiss
Scott Shine	Christina DeMeere
Tammy Russo	Doreen MacDonald
Brenda Etheridge	

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1. Call to Order

Chairman Shaw called the meeting to order at 3:05 p.m.

2. Roll Call

Roll call was taken with 18 members present (11 private sector).

3. Approval of Previous Minutes

FRANK BLOWERS MOVED TO APPROVE THE MINUTES OF DECEMBER 4, 2008 AS PRESENTED; SUPPORT BY GEORGE KOVTUN. MOTION CARRIED UNANIMOUSLY.

4. Chairperson's Report

Mr. Shaw introduced three new members to the board. Robert Doetsch, of Asset Acceptance Capital Corporation, has been appointed by Mayor Fouts as a private sector representative; Rene Stephan of the Economic Development Alliance of St. Clair County has been appointed by the St. Clair County Board of Commissioners as an economic development representative; and Kristine Tremble, of ALD Thermal Treatment has been appointed by the St. Clair County Board of Commissioners as a private sector representative. All were welcomed.

5. Committee Reports

A. Education & Adult Programs Committee

1. Meeting of January 15, 2009

a. Recommendation to Request Incentive Grant

Mr. Kovtun reported that the State has allocated \$1 million to be awarded during FY'09 as incentive awards to Michigan Works agencies who enroll individuals into longer-term training leading to an Associate's Degree or higher. We may receive \$10,000 per qualifying trainee. Staff identified 15 customers who qualify and submitted a request for \$150,000.

FRANK BLOWERS MOVED TO APPROVE THE GF/GP NO WORKER LEFT BEHIND INCENTIVE GRANT PLAN AS PRESENTED; SUPPORT BY MARY MATUJA. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to Modify FY'09 JET Plus Plan

Since approval of the JET Plus program, the State has rescinded \$9 million statewide. The local impact is the loss of \$756,360. The committee recommended that funds be reduced from the community outreach model component of the program leaving the campus-centered model intact.

JOHN BOZYMOWSKI MOVED TO MODIFY THE JET PLUS PROGRAM AS PRESENTED; SUPPORT BY DOMINIC LaROSA. MOTION CARRIED UNANIMOUSLY.

c. Informational Items

i. Awarding of Additional Dislocated Worker Funds

Due to a significant increase in training obligations, staff petitioned the State of Michigan for an additional \$3.2 million of dislocated worker funds. Notice was received of approval. The State is awarding an initial \$1.3 million or 40 percent of the total request. In order to be eligible for the remaining funds, the board must demonstrate that at least 50 percent of all available adult and dislocated worker funding has been expended on an accrued basis and/or can demonstrate 85 percent of all available adult and dislocated worker funding is obligated. This will be established when a quarterly report is submitted and staff will immediately request additional funds.

ii. PY'08 Adult & Dislocated Worker Enrollments

Members reviewed statistics comparing enrollments from last year to this for both the adult and dislocated worker programs. The comparison reflects a significant increase in services to economically disadvantaged adults. The increase of dislocated worker customers was not as high, but Mr. Kovtun stated that the number

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will increase significantly upon start of classes at Macomb Community College where a demand for training is very high this year.

iii. Plant Closures

Four closures were reported. The Crown Group in Port Huron is closing that facility and offering the 40 affected employees the opportunity to transfer to their Shelby Township site. An orientation was held January 6th with 24 employees in attendance.

Ontario Die Company of America also located in Port Huron closed their plant affecting 29 workers. An orientation was held December 18th with 13 in attendance. The company has since been trade certified and a trade information meeting for affected employees is scheduled for January 23rd.

Black River Plastics in Port Huron has not filed a WARN notice; however, employees reported to the Port Huron Michigan Works Office stating that the facility was permanently closed the week of December 15th affecting approximately 150 employees. Staff has not yet been able to locate management, but employees may receive services through the Port Huron Michigan Works office.

L&L Products in Romeo announced a second round of layoffs affecting 138 employees. This reduction is expected to be temporary and bumping rights will be available. An orientation was held January 7th with 23 employees attending.

Trade certifications were received for American Die Corporation in Chesterfield. Information was sent to the 15 employees affected and a trade information meeting was held January 6th with 6 people in attendance.

Trade certifications were announced for Chrysler Mack Plant; Chrysler Transport, Chrysler LLC Featherstone, Chrysler LLC Headquarters, Chrysler LLC Technology Center; and American Axle. While all these locations are outside the Macomb/St Clair area, the corresponding MWAs are taking the lead on informational meetings and will be assisted by Macomb/St Clair MWA staff for customers located within our geographic bounds.

iv. Awarding of Additional No Worker Left Behind Funds

Mr. Kovtun reminded members of the request approved by the board and submitted in December for additional dislocated worker funds. Staff was required to prove that *No Worker Left Behind* dollars were obligated prior to requesting additional funds through a competitive process. Notice has been received of approval for an additional \$627,500 to serve 283 customers. With the start of the semester at Macomb Community College, customers will increase immediately.

v. Trade Adjustment Assistance Enrollment Report

Members reviewed handouts of trade program certifications and enrollments for the 2008 calendar year. Staff stressed the importance of contacting affected employees through this prescribed program in order that people apply as quickly as possible to secure their benefits.

Handouts addressed trade certifications for companies within the Macomb/St. Clair geographic boundaries, along with certifications for businesses outside the two counties where residents may have been employed; and companies certified prior to January, 2008.

B. Michigan Works Service Centers Committee

1. Meeting of January 20, 2009

a. Recommendation to Approve PY'09 Michigan Works System Plan

Ms. Tunnell explained how the plan transmits applicable assurances, certifications and stipulations for programs funded through the Michigan Department of Energy, Labor and Economic Growth/Office of Workforce Development. This plan is reviewed each year by the State for compliance of One-Stop Operators; in the case

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of the Macomb/St Clair WDB, the board itself is the one-stop operator for the five service centers located within Macomb and St. Clair counties.

The plan provides assurances to the State regarding accounting; grievance procedures; procurement; Veterans Rights to Employment Services; monitoring; one-stop operator; and the local strategic plan. There is no funding attached to this plan.

MARY MATUJA MOVED TO APPROVE THE PY'09 MICHIGAN WORKS SYSTEMS PLAN AS PRESENTED; SUPPORT BY CARL GERVASON. MOTION CARRIED UNANIMOUSLY.

(Smith arrived)

b. Informational Items

i. 2008 Service Center Traffic Flow

Ms. Tunnell reported a significant increase in traffic among the service centers in the past year due to the condition of the local economy. It was noted that during the months of July and December, the number of registrants spiked due to extensions in unemployment benefits requiring customers to re-register. Ms. Tunnell reported that 278,209 customers visited the service centers in 2008.

ii. Employer Services

As part of the incumbent worker training program, this board has formed a partnership with the MTEC centers at Macomb Community College and St. Clair County Community College by initiating the Employment Builders Alliance (EBA). For a minimal cost of \$10 per employee, local businesses can send their personnel to one of the MTEC centers for more than 50 training programs addressing both *hard* and *soft* skill areas. Training topics include but are not limited to activity-based costing; ISO 14001; autocad basic and advanced; Microsoft office; and supervisory skills. Letters have been mailed to area employers notifying of this opportunity.

Two of the board's ES staff have recently completed the Business Solutions Professional (BSP) training offered through Michigan State University. Another team will begin this training in February as part of a contingent of Macomb/St. Clair staff and representatives from both Macomb and St. Clair County economic development departments, St. Clair County Community College and the local offices of Michigan Rehabilitation Services. Representatives from agencies in Wayne, Oakland and Washtenaw counties will also participate in the training that has been moved from East Lansing to Novi for convenience in attending.

iii. Relocation of Roseville Service Center

Due to the high volume of customers visiting the Roseville Center, it has become apparent that the location can no longer comfortably accommodate the traffic, indicating a need to relocate the office to a larger facility with ample parking. The current location provides 17,000 square feet with insufficient parking. The current real estate market reflects a number of available buildings and staff felt it an appropriate time to research the viability of a move. Staff will develop an RFP seeking a facility offering 20,000 to 25,000 square feet within the Gratiot/Groesbeck/Ten Mile/Fourteen Mile Road area.

Also housed in the facility is a branch of Michigan Rehabilitation Services. They would also like to vacate the Roseville site as parking is unable to accommodate the disabled, their staff has outgrown the site and they are not pleased with the unclean environment.

iv. Unemployment Insurance Agency Update

As reported by local media, the Unemployment Insurance Agency has not been able to service the high volume of laid off or unemployed individuals in the area. Due to the increased number of claims, phone lines and computer lines have proven inadequate. Customers are returning to the Michigan Works offices with complaints as they see Michigan Works as part of the same system. The UIA had only one "problem resolution center" located in Livonia where people could meet in person with a UIA representative; however, the high volume of customers required individuals to stand in line for hours. As a result of many complaints, the UIA has

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taken steps to resolve these issues. Additional phone lines and staff are being added to the call-in center and a second problem resolution center has been opened in the Cadillac Building in downtown Detroit.

v. Special Computer Access

A new technology to assist the deaf and hard-of-hearing has been received and incorporated into the five local service centers. With this new video technology, customers can more easily access our workshops and communicate via the phone with employers. Each office has both a stationary unit and a mobile unit, which can be set up in the larger meeting rooms. The equipment, T1 lines, staff training and ongoing technical support are provided at no cost by Communications Access Center (CAC) in Flint, Michigan. The cost absorbed by the board is for the video remote interpreter, which is a lower fee than providing an interpreter who travels to a service center.

C. Administrative Committee

1. Meeting of January 8, 2009

a. Recommendation to Modify PY'08 Dislocated Worker Program Budget

Upon approval at the December general meeting, an additional \$3,250,000 was requested from the State for the Dislocated Worker program. Mr. Peterson reported that the request was honored; however, the State has announced that it will release these funds piecemeal. Therefore, 40% of funds were initially allocated and the resulting \$1.3 million was incorporated into the current dislocated worker program budget. Adjustments have been made to the transportation and classroom training line items.

Since there are more customers enrolled in the adult program due to the *No Worker Left Behind* initiative, the committee recommended transferring \$1,250,000 of these additional dollars into the adult program budget. The current total of the dislocated worker budget is \$6,332,913.

DOMINIC LaROSA MOVED TO MODIFY THE PY'08 DISLOCATED WORKER PROGRAM BUDGET AS PRESENTED; SUPPORT BY MARY MATUJA. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to Modify PY'08 Adult Program Budget

Due to the previous action, \$1,250,000 was incorporated into the adult programs budget bringing the current total to \$7,482,641. Funds were increased for classroom training. Also increased is the contribution to the Michigan Works Service Centers since six additional case managers will be hired to service the increase in customers.

MARY MATUJA MOVED TO MODIFY THE PY'08 ADULT PROGRAM BUDGET AS PRESENTED; SUPPORT BY PATTI GENDERALIK. MOTION CARRIED UNANIMOUSLY.

c. Recommendation to Modify PY'08 National Emergency Grant Budget

Due to a new State policy, the maximum allowable expenditure per customer is \$4,400 and NEG funds must be used solely for participant training. The original budget included ancillary line items to support the grant, but must now be removed. Customers enrolled through this grant will receive support services, transportation allowances and any other ancillary costs by being concurrently enrolled in the dislocated worker program where these costs are allowable. The budget totals \$549,300.

FRANK BLOWERS MOVED TO MODIFY THE PY'08 NATIONAL EMERGENCY GRANT BUDGET AS PRESENTED; SUPPORT BY CARL GERVASON. MOTION CARRIED UNANIMOUSLY

d. Recommendation to Approve FY'09 NWLB Competitive Award Budget

The State of Michigan released a competitive grant award through the No Worker Left Behind GF/GP funding source where \$5 million is available. Staff petitioned for a portion of these dollars and the board was awarded \$627,500. It is anticipated this budget will service 283 customers. The total budget is \$587,875

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MARY MATUJA MOVED TO APPROVE THE FY'09 NO WORKER LEFT BEHIND GF/GP COMPETITIVE AWARD BUDGET AS PRESENTED; SUPPORT BY GEORGE KOVTUN. MOTION CARRIED UNANIMOUSLY.

e. Recommendation to Approve FY'09 NWLB Incentive Award Budget

Mr. Peterson reported that staff petitioned for incentive dollars through the remaining \$1 million State *No Worker Left Behind* funds. In order to be awarded any funds, an MWA must show that there are customers enrolled in long-term training programs of at least a 2-year duration. Fifteen such customers were identified and staff petitioned for \$10,000 of incentive award for each customer from the NWLB pool. Journal entries will be made to show the State exactly how funds are being expended. The budget totals \$145,000.

MARY MATUJA MOVED TO APPROVE THE FY'09 INCENTIVE AWARD BUDGET AS PRESENTED; SUPPORT BY PATTI GENDERALIK. MOTION CARRIED UNANIMOUSLY.

f. Recommendation to Modify FY'09 JET Plus Budget

Since the previous budget modification, the State rescinded statewide \$9 million of TANF funds for other projects. The local deduction comes to \$756,360. Therefore, a deduction and readjustments were made to the community outreach model of JET Plus. With the start of the campus centered model, figures were readjusted to suit appropriate costs. The budget now totals \$3,236,892.

CARL GERVASON MOVED TO MODIFY THE FY'09 JET PLUS BUDGET AS PRESENTED; SUPPORT BY MARY MATUJA. MOTION CARRIED UNANIMOUSLY.

g. Informational Items

i. Trade Adjustment Assistance Expenditure Report

Funds for the trade program are requested as needed and the organization is reimbursed for actual expenditures. Year-to-date comparisons for the first quarter of the new fiscal year were reviewed reflecting fiscal year 2008 at \$974,856.79 compared to fiscal year 2009 at \$839,980.08.

ii. WIA First Quarter Performance Report

Mr. Peterson presented the first quarter performance results for the 2008 program year. All standards were met or exceeded with the exception of three for the older youth population, which has traditionally been a hard population to track. Staff has been advised to follow-up with these customers. Updated information has been forwarded to the State and these figures will hopefully improve on the next report.

iii. Annual Accounts of Funding Sources

Mr. Peterson reported the current account of funding sources, which reflects the agency at \$38,380,431. Additional dollars will be incorporated as they arrive.

6. Executive Director's Report

Mr. Bierbusse reported that the new federal administration is on a fast track regarding the 2009 Economic Recovery Act. A handout was reviewed regarding Title IX - Labor, Health and Human Services, and Education from the House Appropriations Committee that will be forwarded to the House of Representatives for consideration. It is anticipated that a bill may be passed by Presidents' Day, February 12th. If approved, the Workforce Investment Act nationwide will be in receipt of an additional \$4 billion: a half billion targeted to adult programs (a 60% increase); and \$1.2 billion for youth activities including summer youth programs. The board currently operates summer programs that service between 200 and 300 young people. The new allocation would afford the local board approximately \$5 million and would service between 2,200 and 2,500 youth. In anticipation of this effort, staff has been advised to search past files to locate paperwork used when the agency operated a huge summer program. Additional staff will be required for recruitment of eligible youth and

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operation of the program, along with expanded temporary facilities. Mr. Bierbusse anticipates notification by late April.

The dislocated worker program would be boosted by \$1 billion; a half-billion dollars to be retained in discretionary funds; \$50 million for inner-city youthbuild activities; and \$750 million of competitive grants.

7. Other Business

Mr. Shaw announced the inauguration of Dr. Jacobs as the fifth President of Macomb Community College on Monday, March 30th. Members will be informed as more details arrive.

8. Hearing of the Public

Dave Flynn, of the Macomb County Board of Commissioners, introduced himself.

9. Scheduling of Next Meeting

The next general meeting is scheduled for 3:00 p.m., Thursday, February 26, 2009. Members will be notified.

10. Adjournment

WILLIAM PETERSON MOVED TO ADJOURN; SUPPORT BY MARY MATUJA. MOTION CARRIED UNANIMOUSLY. The meeting adjourned at 4:15 p.m.

Respectfully submitted,

Laura Carne
Recording Secretary