

**MINUTES OF THE  
WORKFORCE DEVELOPMENT BOARD**

May 28, 2009

The Macomb/St. Clair Workforce Development Board met Thursday, May 28, 2009 at the Michigan Works Office, 43630 Hayes Road, Clinton Township, Michigan with the following members present (✓ denotes private sector):

**AT ROLL CALL:**

Lillian Adams	✓ Dominic LaRosa
✓ Patricia Anger	✓ Mary Matuja
Ken Austin	✓ Scott Orts
✓ Frank Blowers	Philip Papes
John Bozymowski	✓ Rick Regan
✓ David Brandt	✓ Charles Shaw
✓ Robert Doetsch	Erin Smith
George Kovtun	Jennie Tunnell

**ARRIVALS AFTER QUORUM CALLED:**

✓ William Morelli	✓ Patti Gendernalik
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**MEMBERS ABSENT:**

✓ John Daoud	William Peterson
Nancy Falcone	Gary Polulak
✓ Carl Gervason	✓ Paul Reiz
✓ Peter Keating	Rene Stephan
✓ Mike Kramer	✓ Kristine Tremble
Mike Moran	✓ Mike Wiegand

**OTHERS PRESENT:**

John Bierbusse	Kathy Jordon
Marsha Prose	Christina DeMeere
Doreen MacDonald	Jim Patterson
Scott Shine	Deborah Porter
Joe Dueweke	

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**1. Call to Order**

Chairman Shaw called the meeting to order at 3:10 p.m.

**2. Roll Call**

Roll call was taken with 16 members present (9 private sector).

**3. Approval of Previous Minutes**

**RICK REGAN MOVED TO APPROVE THE MINUTES OF APRIL 23, 2009 AS PRESENTED; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.**

**4. Chairperson's Report**

Mr. Shaw thanked everyone for attending and advised that any members wishing to attend the Michigan Works Annual Conference in September contact the administrative office as soon as possible. He informed the members that the June meeting will be held at the St Clair County Community College M-TEC center.

**5. Committee Reports**

**A. Youth Advisory Committee**

**1. Meeting of May 20, 2009**

**a. Recommendation to Approve WIA In-School Youth Contracts**

Frank Blowers reported that ten in-school youth programs are now in their third contract year. The summer components are operated through the WIA continuum program. Providers are revisited each year to allow an opportunity to make any necessary budget or programmatic adjustments. Eight of the ten current providers are offering a summer component where students will be retained at the end of the summer. Proposals made through the American Recovery and Reinvestment Act will be operated during the summer only. The in-school youth contract negotiated costs totals \$1,292,236.31.

**DOMINIC LaROSA MOVED TO APPROVE THE IN-SCHOOL YOUTH CONTRACTS AS PRESENTED; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.**

**b. Recommendation to Approve WIA Out-of School Youth Contracts**

The out-of-school youth program component was negotiated with eight service providers. Costs were adjusted to address supplies and staffing needs. Negotiated costs for the out-of-school component are \$668,984.22

**PHIL PAPES MOVED TO APPROVE THE WIA OUT-OF-SCHOOL YOUTH CONTRACTS AS PRESENTED; SUPPORT BY GEORGE KOVTUN. MOTION CARRIED UNANIMOUSLY.**

**c. Recommendation to Approve WIA - ARRA - Summer Youth Contracts**

Staff met with 25 service providers to negotiate summer youth program proposals for Macomb County and 11 for St. Clair County, requesting a total of \$1,388,718 to create 1,250 summer jobs for economically disadvantaged youth. The majority of proposals are for traditional projects such as landscaping, tutoring and general maintenance. Upon review, many proposals reflected large staffing and supply costs; some listed participant wages, which should not have been included in the request; supplies were higher than the board's previously approved \$50 cap per participant. Participants will not be hired to perform work of any laid-off employees at any site and union concurrence will be obtained where applicable. Job coaches will be hired from the pool of applicants.

*(Morelli arrived)*

The board previously capped the total funding for summer proposals at \$1,050,000 with \$800,000 targeted to in-school youth and \$250,000 to out-of-school youth. After negotiations, staff reduced costs to \$902,020 to service 1,237 participants. Worksites will continue to be developed to meet the goal of serving 2,000 participants.

**LILLIAN ADAMS MOVED TO APPROVE THE ARRA SUMMER YOUTH PROGRAM CONTRACTS AS PRESENTED; SUPPORT BY DAVID BRANDT. MOTION CARRIED UNANIMOUSLY.**

**d. Recommendation to Approve WIA - ARRA - Summer Youth Program Plan**

The budget information summary for the American Recovery and Reinvestment Act summer plan was reviewed. Thirty percent of funds are dedicated to the out-of-school population. Many of these economically disadvantaged older participants will be hired as job coaches for the younger participants.

**PATRICIA ANGER MOVED TO APPROVE THE 2009 ARRA SUMMER YOUTH PROGRAM PLAN AS PRESENTED; SUPPORT BY DOMINIC LaROSA. MOTION CARRIED UNANIMOUSLY.**

**B. Education & Adult Programs Committee**

**1. Meeting of May 21, 2009**

**a. Recommendation to Approve PY'08 ARRA Adult Program Plan**

Jennie Tunnell reported that the federal government has released to the States funds from the American Recovery and Reinvestment Act (known otherwise as the economic stimulus package). The time frame is a three-year period from July 1, 2008 through June 30, 2011. The adult program is funded nationwide at \$500 million; Michigan has received \$31 million; the local allocation is \$2.5 million. Funds will be used to provide services for an additional 145 economically disadvantaged adults in demand and emerging occupations and will support the training of 1,035 during the grant period.

Since there is such a high demand for this population, it was recommended that \$1.5 million be transferred from the dislocated worker allocation to the adult program.

**FRANK BLOWERS MOVED TO APPROVE THE 2008 ARRA ADULT PROGRAM PLAN AS PRESENTED; SUPPORT BY RICK REGAN. MOTION CARRIED UNANIMOUSLY.**

**b. Recommendation to Approve PY'08 ARRA Dislocated Worker Plan**

The dislocated worker program is funded nationwide at \$1.2 billion; Michigan received \$76.5 million; the local allocation is \$5.1 million. After the previously approved transfer of funds, the available ARRA dislocated worker plan will have \$3.6 million. It is anticipated to retrain an additional 120 participants who have been permanently displaced from their jobs and support the training of 765 additional dislocated workers during the grant period. .

**MARY MATUJA MOVED TO APPROVE THE 2008 ARRA DISLOCATED WORKER PROGRAM PLAN AS PRESENTED; SUPPORT BY WILLIAM MORELLI. MOTION CARRIED UNANIMOUSLY.**

**c. Recommendation to Request Additional Dislocated Worker Funds**

When the State of Michigan receives initial federal WIA dislocated worker funds, they allocate 60% throughout the Michigan Works system and retain 40% at the state level where agencies can request additional funds as the year progresses. In January, the board received an additional \$3.2 million, which has since been spent. Therefore, based on the local plant closures and layoffs, staff sought permission to request an additional \$2 million to serve 680 customers. Funds will be spent by June 30<sup>th</sup>.

**JOHN BOZYMOWSKI MOVED TO REQUEST ADDITIONAL DISLOCATED WORKER FUNDS AS PRESENTED; SUPPORT BY DOMINIC LaROSA. MOTION CARRIED UNANIMOUSLY.**

**d. Recommendation to Approve Career Advancement Account Funds**

Discussion for a career advancement accounts program began over two years ago. The federal government released \$1.5 million to the State of Michigan and the State is required to match funds to operate a pilot program. Approximately six demonstration projects were devised. The Macomb/St Clair WDB was chosen to participate. The program was initially designed to service those individuals who participated in buy-out programs offered through the auto industry and was expanded to include incumbent workers. A number of Michigan Works areas deobligated funds and this board agreed to accept any deobligated funds. Therefore,

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the plan increased by \$682,996 to train an additional 190 participants this program year. All funds must be spent by June 30<sup>th</sup>. Internal procedures will be performed to transfer eligible WIA charges to the CAA budget to close out the program.

**FRANK BLOWERS MOVED TO MODIFY THE CAREER ADVANCEMENT ACCOUNTS PLAN AS PRESENTED; SUPPORT BY RICK REGAN. MOTION CARRIED UNANIMOUSLY**

**e. Recommendation to Modify FY'09 JET Plus Plan**

The JET Plus program services customers receiving cash welfare benefits and is a pilot program offered through six (6) Michigan Works Areas with the goal to increase the number receiving occupational training. There are two components; the community outreach model which targets those individuals who lack a high school diploma or GED, and the campus centered model at Macomb Community College which offers services in a single, integrated environment. Funding reductions were made in December and March. On May 5<sup>th</sup>, the Governor issued an executive order in an attempt to balance the State budget, which effectively eliminated the JET Plus program. The contract with Macomb Community College was severed. Staff continues to identify key elements of the JET Plus campus model that could continue by expanding the Michigan Works system customer base to access ESL services and basic skills upgrading.

**MARY MATUJA MOVED TO ELIMINATE THE JET PLUS PROGRAM AS PRESENTED; SUPPORT BY WILLIAM MORELLI. MOTION CARRIED UNANIMOUSLY.**

**f. Recommendation to Approve Michigan Works Service Centers Contract**

The three-year contract with the current service provider for case management services is due to expire June 30<sup>th</sup>. A request for proposal was released to continue case management services resulting with two responses.

Ms. Tunnell noted that the Macomb/St Clair Employment and Training Agency, the current provider, submitted a proposal with an inflated budget requiring negotiations to reduce costs. It was advised to retain this service provider as starting entirely over with a new contractor would require hiring and training new staff, which would bring services to a halt during a time where the centers are seeing record numbers of individuals seeking Michigan Works services.

**JOHN BOZYMOWSKI MOVED TO AWARD THE SERVICE CENTER CONTRACT WITH THE MACOMB/ST. CLAIR EMPLOYMENT AND TRAINING AGENCY; SUPPORT BY WILLIAM MORELLI.**

Discussion continued. The second proposer was JVS, who has previously provided services through the JET program and has proven themselves to be a competent and successful organization. Mr. Bierbusse recommended contracting with M/SCETA for current services and to contract with JVS for any additional centers.

**After review and discussion, PHIL PAPES MOVED TO AWARD THE MACOMB/ST CLAIR EMPLOYMENT AND TRAINING AGENCY A CONTRACT AT A REDUCED COST TO CONTINUE PROVIDING SERVICES AT THE FIVE MICHIGAN WORKS CENTERS AND TO CONTRACT WITH JVS FOR ANY ADDITIONAL CENTERS OPENED WITHIN THE NEXT THREE YEARS; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.**

**g. Informational Items**

**i. Plant Closure Report**

Ms. Tunnell reported three closures. Noble International in Warren, a tier 1 auto supplier, is closing at the end of May displacing 410 employees of which 279 are union and 131 are non-union employees. A worker orientation was held May 5<sup>th</sup> with 70 individuals in attendance. An additional meeting was held May 13<sup>th</sup> to provide community services information.

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Android in Warren, a just-in-time auto supplier to the Chrysler Sterling Assembly plant, is permanently closing affecting 102 employees. A worker orientation was held April 30<sup>th</sup> with 68 in attendance.

Sur-Flo Plastics & Engineering has two facilities; one in Fraser, one in Warren. Due to the bankruptcy of Chrysler Corporation, the company has reduced production at both sites and approximately 46 employees will be laid off. A rapid response meeting has not been held; however, Michigan Works materials have been provided to management to disperse to affected employees.

Trade certifications were received by Magna Powertrain in Sterling Heights, Mold Tech Michigan in Fraser, St. Clair Plastics in Chesterfield Township, AZ Automotive in Roseville, and the Chrysler Sterling Heights Assembly Plant.

*(Gendernalik arrived)*

**C. Administrative Committee**

1. Meeting of May 14, 2009

**a. Recommendation to Modify PY'08 WIA Recovery Act Adult Program Budget**

Ms. Matuja reported that there was initially no provision regarding transfer between WIA programs under the American Reinvestment & Recovery Act (ARRA) funds. A policy change was approved so that provisions under WIA legislation will apply to ARRA funds allowing transfer of up to 30% between programs. Since there is a greater need in the adult program, a transfer of \$1,555,322 of dislocated worker funds into the adult program budget is being recommended. Carry-in to the upcoming program year beginning July 1<sup>st</sup> will increase to \$3,288,700. The majority of funds will be dedicated to training and training needs for economically disadvantaged adults. The budget totals \$667,744.

**DOMINIC LaROSA MOVED TO MODIFY THE PY'08 WIA RECOVERY ACT ADULT PROGRAM BUDGET AS PRESENTED; SUPPORT BY GEORGE KOVTUN. MOTION CARRIED UNANIMOUSLY.**

**b. Recommendation to Modify PY'08 WIA Recovery Act Dislocated Worker Budget**

Due to the previous action, the budget was revised to reflect the transfer of funds. Carry-in to the new budget was also increased to \$2,842,000. The budget totals \$546,555.

**PATRICIA ANGER MOVED TO MODIFY THE PY'08 WIA RECOVERY ACT DISLOCATED WORKER BUDGET AS PRESENTED; SUPPORT BY RICK REGAN. MOTION CARRIED UNANIMOUSLY.**

**c. Recommendation to Modify FY'09 JET Plus Program Budget**

On May 5, 2009, Governor Granholm issued an executive order to balance the State budget. This action eliminated JET Plus pilot programs statewide; however, local funds will be reimbursed to cover expenditures. Staff submitted an expenditure report for this program through March 31<sup>st</sup>. An additional \$250,000 has been expended since then and a revision will be made.

The campus-centered component contract with Macomb Community College was severed. However, due to interest by the college, negotiation of costs to provide some of the services for this population will commence through other funding sources. The budget totals \$601,482.

**FRANK BLOWERS MOVED TO MODIFY THE FY'09 JET PLUS PROGRAM BUDGET AS PRESENTED; SUPPORT BY RICK REGAN. MOTION CARRIED UNANIMOUSLY.**

**d. Recommendation to Modify PY'08 Career Advancement Accounts Budget**

The federal government released \$1.5 million to the State of Michigan and the State is required to match funds to operate a pilot program. Approximately six demonstration projects were established. The Macomb/St Clair Board was chosen to participate. Services were designed initially to serve those individuals who participated in buy-out programs offered through the auto industry and were expanded to include incumbent workers. A number of areas deobligated funds and this board agreed to accept any deobligated funds. Therefore, the

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budget increased by \$682,996 and all funds must be spent by June 30<sup>th</sup>. Internal procedures will be performed to transfer eligible WIA charges to the CAA budget to close out the program. The budget total is currently \$1,121,877.

**DAVE BRANDT MOVED TO MODIFY THE PY'08 CAREER ADVANCEMENT ACCOUNT BUDGET AS PRESENTED; SUPPORT BY PHIL PAPES. MOTION CARRIED UNANIMOUSLY.**

**e. Recommendation to Modify FY'09 No Worker Left Behind Competitive Award Budget**

The General Fund / General Purpose *No Worker Left Behind* competitive award budget was also impacted by the Governor's executive order, effectively eliminating this funding source. Expenditures have been submitted through May 5, 2009 for reimbursement. The budget currently totals \$428,940.

**RICK REGAN MOVED TO MODIFY THE FY'09 NO WORKER LEFT BEHIND COMPETITIVE AWARD BUDGET AS PRESENTED; SUPPORT BY GEORGE KOVTUN. MOTION CARRIED UNANIMOUSLY.**

**f. Informational Items**

**i. Trade Adjustment Assistance Expenditure Report**

State policy requires TAA funds to be requested as needed and the organization is reimbursed for actual expenditures, eliminating the need for monthly budget modifications.

Year-to-date comparisons reflect fiscal year 2008 at \$1,748,098.51 compared to fiscal year 2009 at \$2,762,843.83.

**ii. Annual Accounts of Funding Sources Update**

The latest account of funding sources reflects a current balance for this program year at \$56,640,884. The board will experience decreases in the future of Workforce Investment Act dollars as the rest of the nation suffers increased unemployment. The dislocated worker program will experience a 42% reduction of funds statewide.

**6. Executive Director's Report**

Mr. Bierbusse approached Chrysler Corporation representatives in an attempt to coordinate an automotive transition center in their UAW Chrysler National Training Center facility in Warren. The company was quite agreeable to a coordinated venture to assist displaced auto workers in southeast Michigan by providing the 240,000 square foot building. National Emergency Grant (NEG) funds will be applied for to create a viable training opportunity. Chrysler was agreeable to allow services in this site for all affected auto workers, not just their own employees and would also include those affected in the auto supplier industries. The board would provide the office cubicles and computers; an additional 37 staff will be hired to provide the services including, but not limited to assessment; resume preparation; workshops and seminars; job development; and retraining needs. Another meeting is scheduled in June. Members will be informed on the progress of this initiative.

**7. Other Business**

Lillian Adams encouraged board members to attend the Michigan Works conference in September.

**8. Hearing of the Public**

There were no comments.

**9. Scheduling of Next Meeting**

The next general meeting is scheduled for 4:00 p.m., Thursday, June 25, 2009. Members will be notified.

**10. Adjournment**

**FRANK BLOWERS MOVED TO ADJOURN; SUPPORT BY RICK REGAN. MOTION CARRIED UNANIMOUSLY.** The meeting adjourned at 4:05 p.m.

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Respectfully submitted,

Laura Carne  
Recording Secretary