

**MINUTES OF THE
WORKFORCE DEVELOPMENT BOARD**

January 25, 2007

The Macomb/St. Clair Workforce Development Board met Thursday, January 25, 2007 at the Michigan Works Clinton Township Atrium Office, 43630 Hayes, Clinton Township, Michigan with the following members present (✓ denotes private sector):

AT ROLL CALL:

✓ Patricia Anger	Vickie Ledsworth
✓ Del Becker	Angelo Nicholas
✓ Frank Blowers	✓ Roland Pesek
John Bozymowski	Gary Polulak
✓ Dawn Drozd	✓ Rick Regan
✓ Mary Gilbert	✓ Paul Reiz
✓ Peter Keating	✓ Charles Shaw
George Kovtun	✓ Carol Thurber
✓ Michael Kramer	Jennie Tunnell
✓ Ed Kubes	✓ Steve Willis

ARRIVALS AFTER QUORUM CALLED:

Mike Moran

MEMBERS ABSENT:

Lillian Adams	✓ Dominic LaRosa
Ken Austin	✓ Mary Matuja
✓ Ron Chriss	✓ Charles Michel
✓ John Daoud	✓ William Morelli
Nancy Falcone	Philip Papes
✓ Carl Gervason	William Peterson
✓ Lester Gilbert	✓ Keith Pohl

OTHERS PRESENT:

John Bierbusse	Kathy Jordon
Marsha Prose	Deb Porter
Brenda Etheridge	Lisa Kielbas

1. Call to Order

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

2. Roll Call

Mr. Regan took this opportunity to introduce two new members. Joining the board is Dawn Drozd, who is a certified business coach with Action International, and Steve Willis, Vice President of Lending and Collections for E & A Credit Union in Port Huron. Both were welcomed.

Roll call was taken with 20 members present (14 private sector)

3. Approval of Previous Minutes

FRANK BLOWERS MOVED TO APPROVE THE MINUTES OF DECEMBER 7, 2006 AS PRESENTED; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.

4. Chairperson's Report

Chairman Regan strongly encouraged volunteers to join the various subcommittees of the board to provide oversight of program activities and policies. A form, along with a description of committee responsibilities, was circulated.

(Moran arrived)

5. Committee Reports

A. Education & Adult Programs Committee

1. Meeting of January 18, 2007

a. Recommendation to Approve PY'06 Incentive Plan

Mr. Kovtun presented the incentive award plan. There is a \$1 million pool available statewide that Michigan Works Agencies share based on their performance. Due to past performance whereby all Macomb/St. Clair standards were either met or exceeded, the State has allocated an incentive award totaling \$84,957. The plan reflects that all funds will be directed into WIA adult classroom training.

FRANK BLOWERS MOVED TO APPROVE THE PY'06 INCENTIVE AWARD PLAN AS PRESENTED; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to Modify PY'06 Dislocated Worker Plan

Mr. Kovtun reported that staff applied for additional funds through the State's adjustment grant for the dislocated worker program and was notified of an increase of \$965,000, which was incorporated into the plan for program costs. Staff will continue to apply for more funds.

PATRICIA ANGER MOVED TO MODIFY THE PY'06 DISLOCATED WORKER PLAN AS PRESENTED; SUPPORT BY VICKIE LEDSWORTH. MOTION CARRIED UNANIMOUSLY.

c. Recommendation to Approve Incumbent Worker Proposals

Two requests were received for incumbent worker funding. The first request through St. Clair County Community College will provide team building and lean manufacturing training for 90 employees of Mapal Inc in Port Huron at a cost of \$16,679 for 2,120 hours of training.

The second request for 7 employees of Prestige Engineering Resources in Catia V5 training will be conducted at Oakland Community College for a cost of \$6,650. If approved, all incumbent worker funds for this program year will be expended.

DEL BECKER MOVED TO APPROVE THE TWO INCUMBENT WORKER PROPOSALS AS PRESENTED; SUPPORT BY VICKI LEDSWORTH. MOTION CARRIED. M. Gilbert abstained.

d. Recommendation to Modify FY'07 Trade Adjustment Assistance Plan

Mr. Kovtun reported that previously the State of Michigan indicated approval of a preliminary allocation equal to the total of last year's funding in Trade Adjustment Assistance funds. Since that time, policy has changed and the State is releasing funds on a monthly basis. Carry-in was also adjusted to reflect actual dollars. Ten percent is allowed for administration of the program, leaving 90% directed to training. The total plan now consists of \$428,415 and will continue to be readjusted throughout the year.

PETER KEATING MOVED TO MODIFY THE FY'07 TAA PLAN AS PRESENTED; SUPPORT BY FRANK BLOWERS. MOTION CARRIED UNANIMOUSLY.

e. Recommendation to Approve Macomb County DHS Support Services Agreement

Mr. Kovtun reported that this is the fourth year of a local agreement with the Macomb County Department of Human Services to provide additional TANF funds for employment-related support services. The agreement transfers \$25,000 from DHS to the Workforce Development Board. Funds will be primarily used to provide child care services to eligible dependent children of those participating in the JET program within the Macomb County Michigan Works service centers. Funds may also be used for auto-related services to those same participants.

JOHN BOZYMOWSKI MOVED TO APPROVE THE LOCAL AGREEMENT WITH MACOMB COUNTY DEPARTMENT OF HUMAN SERVICES AS PRESENTED; SUPPORT BY DEL BECKER. MOTION CARRIED. Nicholas abstained.

f. Informational Items

i. Plant Closures

Members reviewed closures of four businesses: Cadillac Products in Warren; Macy's North Distribution Center in Warren; Collins & Aikman closing facilities in both Warren and Port Huron; and Seaway Plastics in Marine City.

Employees of Special Tool & Engineering Inc of Fraser petitioned and were granted trade certification. Staff received notification January 11th. The company was contacted by board staff and a trade orientation was scheduled effecting 63 laid off employees from November 2005 to date.

ii. BRAC Request for Proposal

The board received a \$125,000 grant in June to address the concerns regarding the Army Garrison closure at Selfridge Air National Guard Base. The plan indicated hiring a consulting firm to obtain information on individual needs and the effect on the local economy. Approximately 270 civilian employees will be affected but it was reported that only 29 people attended an orientation. It is hoped that a full-time consultant will be able to obtain better results. Therefore, a request for proposal was released at the end of December and is due back January 26th.

iii. Welfare Reform in Michigan

Mr. Kovtun highlighted some of the reforms to the welfare system in Michigan. Effective October 1st of this year, recipients will be held to a 48-month lifetime limit on receiving benefits. However, he noted that this "clock" may be stopped for those who are temporarily exempted from work (medical); for those

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meeting requirements of the self-sufficiency plan by attending Work First; or the unemployment rate in the recipient's county exceeds 25 percent above state average. Those exempted may include persons with learning disabilities or low intellectual capacity that would impede comprehension and prevent success in basic reading, writing and math or be unable to perform routine manual labor tasks. Recipients who leave the cash assistance program due to earned income but continue to meet the federal work participation guidelines will receive a \$10 monthly employment subsidy for six months. The JET program will no longer be a pilot program but will be implemented statewide by September.

B. Administrative Committee

1. Meeting of January 11, 2007

a. Recommendation to Modify PY'06 WIA Employment Service Budget

Mr. Shaw reported that the previous approved allocation was based on a planning estimate. The final allocation amount has been received and the budget was modified to incorporate an additional \$66,787. Funds were revised for office supplies, customer outreach, utilities, and employment service providers.

DEL BECKER MOVED TO MODIFY THE PY'06 EMPLOYMENT SERVICE BUDGET AS PRESENTED; SUPPORT BY PETER KEATING. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to Modify PY'06 WIA Dislocated Worker Budget

Mr. Shaw reported that staff applied for additional funds for the dislocated worker program and received notification of an increase of \$965,000, which was incorporated into the budget. Since this will allow serving additional customers, increases were made to participant transportation and classroom training line items. Staff will continue to apply for more funds.

PATRICIA ANGER MOVED TO MODIFY THE PY'06 DISLOCATED WORKER BUDGET AS PRESENTED; SUPPORT BY ROLAND PESEK. MOTION CARRIED UNANIMOUSLY.

c. Recommendation to Approve PY'06 WIA Incentive Award Budget

There is a \$1 million pool available statewide that Michigan Works Agencies share based on their performance. Due to past performance whereby all Macomb/St. Clair standards were either met or exceeded, the State has allocated an incentive award totaling \$84,957. All funds will be directed into WIA adult classroom training.

DEL BECKER MOVED TO APPROVE THE INCENTIVE AWARD BUDGET AS PRESENTED; SUPPORT BY GEORGE KOVTUN. MOTION CARRIED UNANIMOUSLY.

d. Recommendation to Modify FY'07 Trade Adjustment Assistance Budget

The Trade Adjustment Assistance (TAA) program serves those individuals who have lost their employment due to foreign competition. Certification is made by the U.S. Department of Labor.

Mr. Shaw reiterated that previously the State of Michigan indicated approval of a preliminary allocation equal to the total of last year's funding in Trade Adjustment Assistance funds. Since that time, policy has changed and the State is releasing funds on a monthly basis. Carry-in was also adjusted to reflect actual dollars. Ten percent is allowed for administration of the program, leaving 90% directed to training. The total budget is now \$428,415 and will continue to be readjusted throughout the year.

ANGELO NICHOLAS MOVED TO MODIFY THE FY'07 TAA BUDGET AS PRESENTED; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.

e. Informational Items

i. Senior Community Services Employment Program Budget Update

Mr. Shaw stated that an additional \$48,000 has been requested, but official notification has not yet been received.

ii. PY'06 First Quarter WIA Performance Measures

Upon review of the first quarter performance measures, it was reported that 12 standards were exceeded, five were met and none failed.

The standard for *average earnings in six months* has been revised for both adults and dislocated workers. Previously the standard measured average earnings **change** in six months which took post-program earnings and subtracted pre-program earnings to calculate the change. This revision impacts current statistics since it is measuring low income customers recruited a few years ago who would show a significant wage change due to entering better jobs after training than prior to training. To actually meet or exceed this new standard, staff will need to recruit customers who left higher paying jobs and are likely to re-enter higher paying jobs.

6. Executive Director's Report

Mr. Bierbusse remarked upon the *program definition* handout that members received with their packet noting the addition of the Senior Community Services Employment Program and the Michigan Prisoner Re-entry Initiative program.

He informed the board of a new initiative for the State of Michigan, which has received from the U. S. Department of Labor, an allocation to begin a *Career Advancement Account* (CAA) demonstration project. Areas are limited to nine (9) agencies within the state. Macomb/St. Clair will receive \$577,956, which is a combination of CAA dollars and WIA statewide match funds.

After a number of program concept revisions, the initiative is to assist those unemployed by offering a \$3,000 capped grant for individuals to invest in job search or retraining. However, if qualified, WIA grants allow for higher funding, putting this initiative in direct conflict with the WIA program. The State of Michigan has until the end of February to negotiate with the Department of Labor. Agency directors would like to see these funds dedicated to incumbent worker training. Members will be kept abreast of any updates.

For informational purposes, a regional map was distributed displaying the uneven distribution of trade adjustment assistance funds. Mr. Bierbusse described how initially a majority of funds years ago were distributed in the states of Wisconsin and Pennsylvania for displaced workers who lost employment due to overseas competition. Since that time, the automotive industry's distress has had a serious impact for workers in Michigan, Ohio, and Indiana. However, the distribution formula has not changed and the bulk of funds continue to be sent to Wisconsin and Pennsylvania.

7. Other Business

There was no other business.

8. Hearing of the Public

There were no comments from the public.

9. Scheduling of Next Meeting

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The next general meeting is scheduled for 3:00 p.m., Thursday, February 22, 2007 at the Michigan Works Atrium Office in Clinton Township. Members will be notified.

10. Adjournment

GEORGE KOVTUN MOVED TO ADJOURN; SUPPORT BY FRANK BLOWERS. MOTION CARRIED UNANIMOUSLY. The meeting adjourned at 3:50 p.m.

Respectfully submitted,

Laura Carne
Recording Secretary