

**MINUTES OF THE
WORKFORCE DEVELOPMENT BOARD**

May 22, 2008

The Macomb/St. Clair Workforce Development Board met Thursday, May 22, 2008 at the Michigan Works Clinton Township Atrium Office, 43630 Hayes Rd, Clinton Township, Michigan with the following members present (✓ denotes private sector):

AT ROLL CALL:

- | | |
|---------------------|-------------------|
| ✓ Patricia Anger | George Kovtun |
| Ken Austin | ✓ Mike Kramer |
| ✓ Del Becker | ✓ Ed Kubes |
| ✓ Frank Blowers | Darlene Labelle |
| John Bozymowski | ✓ Dominic LaRosa |
| ✓ John Daoud | Vickie Ledsworth |
| Nancy Falcone | ✓ Charles Michel |
| ✓ Patti Gendernalik | ✓ William Morelli |
| ✓ Carl Gervason | ✓ Rick Regan |
| ✓ Peter Keating | ✓ Carol Thurber |

ARRIVALS AFTER QUORUM CALLED:

- | | |
|---------------|----------------|
| Lillian Adams | ✓ Paul Reiz |
| ✓ Mary Matuja | Jennie Tunnell |
| Phil Papes | |

MEMBERS ABSENT:

- | | |
|------------------|------------------|
| ✓ David Brandt | ✓ Scott Orts |
| ✓ Lester Gilbert | William Peterson |
| ✓ Mary Gilbert | Gary Polulak |
| Mike Moran | ✓ Charles Shaw |
| Angelo Nicholas | |

OTHERS PRESENT:

- | | |
|------------------|-------------------|
| John Bierbusse | Kathy Jordon |
| Deborah Porter | Doreen MacDonald |
| Beth Diehl | Tammy Russo |
| Brenda Etheridge | Aimee Ballor |
| Jennifer McNew | Anum Chaudhry |
| Terrell Kelly | Rayshane Anderson |

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1. Call to Order

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

2. Roll Call

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

4. Chairperson's Report

As a result of submissions for the youth essay contest, two individuals who participated in the out-of-school youth program participant essay contest were present. Mr. Keating introduced Terrell Kelly, first place winner and Rayshane Anderson, second place winner. Both received a plaque and a monetary award. Mr. Regan congratulated the two winners. In-school participant winners had not yet arrived.

(Adams, Matuja, Papes, Reiz and Tunnell arrived)

3. Approval of Previous Minutes

FRANK BLOWERS MOVED TO APPROVE THE MINUTES OF APRIL 24, 2008 AS PRESENTED; SUPPORT BY WILLIAM MORELLI. MOTION CARRIED UNANIMOUSLY.

5. Committee Reports

A. Youth Advisory Committee

1. Meeting of May 14, 2008

a. Recommendation to Approve PY'08 WIA Youth Program Plan

There is a significant increase in WIA youth funds for the 2008 program year resulting in an approximate one million dollar increase this year; however, members were cautioned that funding allocations are reformulated each year and these dollars could be decreased in the next program year due to the national economy. The division of program year 2008 funds will be divided between in-school youth in the amount of \$2,755,336 and \$1,347,920 dedicated to servicing out-of-school youth, making the total training budget available for 2008 at \$4,203,256.

CHARLES MICHEL MOVED TO APPROVE THE PY'08 WIA YOUTH PROGRAM PLAN; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to Approve Release of Request for Proposal

Due to the large increase of funds, it was advised that a Request for Proposal be released seeking services for a one-year period only with an emphasis placed on out-of-school youth. Staff has been in discussion with the local Department of Human Services to address the needs of the aging foster care youth population who are released at age 18. A model to service these young people will be developed. Other funds will be dedicated to in-school youth in their senior year.

FRANK BLOWERS MOVED TO RELEASE A REQUEST FOR PROPOSAL FOR THE YOUTH PROGRAM; SUPPORT BY WILLIAM MORELLI. MOTION CARRIED UNANIMOUSLY.

B. Education & Adult Programs Committee

1. Meeting of May 15, 2008

a. Recommendation to Approve PY'08 WIA Adult Program Plan

As advised last month, the Workforce Investment Act (WIA) programs are experiencing a significant increase in funding. The adult program is receiving \$4,337,179 for the new year. Since the board is authorized to transfer funds between adult and dislocated worker programs, it was recommended that an additional \$2,250,000 of dislocated worker monies be moved to the adult program in order to

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provide training services for a higher number of adult customers who will be eligible due to the *No Worker Left Behind* initiative. Eligibility for this initiative is expanded to include individuals who are unemployed or underemployed with an annual income of \$40,000 or less. After calculating for estimated carry-in next year and the cost of administering the program, there remains \$6,464,795 available to train customers in the new year beginning July 1st.

Annually a plan is prepared for the number of customers to be served within the five local service centers. A percentage by centers mirrors activities broken down by each quarter. While there is an obvious need to increase activity levels, the board was cautioned that as quickly as allocations increase, they can also decrease the following year. Therefore, a push to service a high number of customers is planned for the start of the program year in order to allow for payment of obligations prior to the close of the program year. It is anticipated that the adult program will service 1,345 customers by year end.

DEL BECKER MOVED TO APPROVE THE PY'08 WIA ADULT PROGRAM PLAN AS PRESENTED; SUPPORT BY WILLIAM MORELLI. MOTION CARRIED. One opposed.

b. Recommendation to Approve PY'08 WIA Dislocated Worker Plan

The dislocated worker program resources are hugely increased for the 2008 program year. There is \$8,972,777 appropriated locally. Therefore, \$2,250,000 will be transferred to the adult program and \$162,960 is estimated for carry-in to next year. With \$448,639 reserved for administration of the program, there remains \$6,437,098 for training services.

As previously cautioned, the push to provide services will be strong at the beginning of the program year July 1st. Experience has shown that the length and costs of training programs for the dislocated worker population is approximately \$700 higher than the adult population. The number of customers anticipated for training through this program is 1,040.

MARY MATUJA MOVED TO APPROVE THE PY'08 WIA DISLOCATED WORKER PROGRAM PLAN AS PRESENTED; SUPPORT BY CHARLES MICHEL. MOTION CARRIED UNANIMOUSLY.

c. Recommendation to Modify FY'08 JET - Macomb County Supportive Services Grant

Mr. Bozymowski reported receipt of additional resources from the Macomb County Department of Human Services which are dedicated to employment-related support services within the JET program. The initial transfer of funds from Macomb DHS was \$25,000. However, an additional \$162,000 is being released. There is now \$187,000 available to provide in-house babysitting services, auto-related expenses, auto purchases and public transportation. Funds must be expended by August 30th.

DEL BECKER MOVED TO MODIFY THE FY'08 JET MACOMB COUNTY EMPLOYMENT-RELATED SUPPORTIVE SERVICES PLAN AS PRESENTED; SUPPORT BY CHARLES MICHEL. MOTION CARRIED UNANIMOUSLY.

d. Informational Items

i. Plant Closures

Mr. Bozymowski reported that the Chrysler-Sterling Heights Assembly Plant is transitioning their Information Technology Infrastructure group to a new service provider who will offer employment

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opportunities to those 92 affected. Employees do not have bumping rights nor are they represented by a union. A worker orientation was held May 13th with 20 employees in attendance.

Staff continues to work closely with military personnel due to the BRAC closure of the Army Garrison on Selfridge Air National Guard Base. A worker orientation was initially held on base upon announcement of closure. Affected are 90 employees within both the Garrison and a number of individuals attached to the 127th Air Wing. With the closure date approaching, staff returned to conduct another orientation May 19th and 20th.

Trade certification was received by Chrysler Corporation Jefferson North Assembly Plant in Detroit. Staff was invited to attend worker orientations in April and again in May since this action affects employees who reside in Macomb or St Clair County.

Monitors from the US Department of Labor reviewed the trade program operated by Macomb/St Clair Board staff last week and had good comments. Results will be shared with the board upon receipt

A. Youth Advisory Committee - Continued

1. Meeting of May 14, 2008

c. Informational Items

i. Youth Essay Competition

Three of the in-school youth essay award winners arrived. Mr. Keating introduced Aimee Ballor, first place winner; Jennifer McNew, second place winner; and Anum Chaudhry, third place winner. Each was awarded a plaque and monetary prize.

C. Michigan Works Service Centers Committee

1. Meeting of May 20, 2008

a. Recommendation to Approve PY'08 Employment Services Plan

Jennie Tunnell presented a synopsis of the annual Wagner-Peyser Employment Service plan. This plan describes delivery of services, locations of the various service centers, number of available computers, and a line item budget. Objectives this year include a strong focus on the *No Worker Left Behind* initiative. The 2008 budget allocation is \$1,623,233. A carry-in of funds is \$24,007 bringing the total available budget to \$1,647,240. The largest cost is for contractual expenses to the service provider who services the Michigan Works customers at the five centers. Other costs in the budget include supplies, rent, utilities, computers & communication and outreach. Administrative costs are \$182,100.

DOMINIC LaROSA MOVED TO APPROVE THE PY'08 WAGNER-PEYSER EMPLOYMENT SERVICE PLAN AS PRESENTED; SUPPORT BY ED KUBES. MOTION CARRIED UNANIMOUSLY.

b. Informational Items

i. Service Center Traffic Flow

The board reviewed charts comparing registrations between 2007 and 2008 at the centers noting a slight increase of first-time customers. A comparison was also made between the Roseville center and the newly opened Warren center. As word in the community spreads, the traffic is increasing at the Warren site.

ii. 21st Century Workforce Initiative

The 21st Century Workforce initiative is an effort by the State to revamp the current workforce development system. Administrative staff are working with representatives from Oakland, Detroit, Wayne and Washtenaw counties to plan and implement an improved system providing services to employers in southeastern Michigan. A meeting is being planned for June in the assembly room of the VerKuiilen Building to bring together representatives of local community colleges, economic development, and workforce development in Macomb and St. Clair counties providing a demonstration of the *Business Solutions Professional* method that has been successfully implemented in other parts of the State.

Eight of the local Michigan Works staff recently attended a two-day Career Transitions workshop focusing on training staff to effectively work with job seekers affected by the current downturn in the economy who must deal with all the adjustments, both physically and psychologically, to make a successful transition. Four of those staff participated in a train-the-trainer session enabling them to provide the same training to other staff members.

D. Administrative Committee

1. Meeting of May 8, 2008

a. Recommendation to Approve PY'08 Wagner-Peyser Employment Services Budget

Ms. Matuja reported that the allocation for the 2008 program year has been received and a budget created accordingly. There is a slight increase of \$23,000 over last year; however, 2007 carry-in funds were less than projected bringing the total available to \$1,647,240. After reductions for administrative costs and estimated carry-in to next year, the total budget is \$1,446,730. It is anticipated that the allocation may increase slightly prior to the start of the program year allowing additional funds to be dedicated to employment service providers.

FRANK BLOWERS MOVED TO APPROVE THE PY'08 WAGNER-PEYSER EMPLOYMENT SERVICE BUDGET AS PRESENTED; SUPPORT BY WILLIAM MORELLI. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to Approve PY'08 WIA Adult Program Budget

All Workforce Investment Act programs will be receiving significant increases this year. The adult program will increase by approximately \$1.2 million. Carry-in from the previous year is lower than projected, but due to the *No Worker Left Behind* initiative, \$2,250,000 will be transferred from the dislocated worker allocation into the adult program. Past experience has shown that with the eligibility guidelines expanded, this program experiences a large increase in demand.

Administrative costs have been lowered from 7% to 5% of the allocation, information technology and computerization were slightly increased along with projected carry-in to next year. Close to a million dollars will be added to classroom training services. The total budget equals \$6,190,380.

PATRICIA ANGER MOVED TO APPROVE THE PY'08 WIA ADULT PROGRAM BUDGET AS PRESENTED; SUPPORT BY DEL BECKER. MOTION CARRIED. One opposed.

c. Recommendation to Approve PY'08 WIA Dislocated Worker Program Budget

Ms. Matuja reported that the 2008 allocation is \$8.9 million, a \$3 million increase from last year. As noted previously, \$2,250,000 will be transferred to the adult program. Administrative costs have been lowered from 7% to 5% of the allocation, information technology and computerization were slightly

increased along with projected carry-in to next year. The majority of funds will be dedicated to customer training programs. The total budget is \$6,032,026.

CHARLES MICHEL MOVED TO APPROVE THE PY'08 WIA DISLOCATED WORKER PROGRAM BUDGET AS PRESENTED; SUPPORT BY DEL BECKER. MOTION CARRIED UNANIMOUSLY.

d. Recommendation to Approve PY'09 WIA Youth Program Budget

The youth program is receiving an approximate one million dollar increase. Estimated carry-in was reduced to bring available funds to \$4,314,302. Administrative costs were lowered from 7% to 5% of the allocation, information technology and computerization were slightly increased along with projected carry-in to next year. Again, the majority of funds will be dedicated to training and divided between in-school and out-of-school youth populations. The budget totals \$3,871,829.

PATRICIA ANGER MOVED TO APPROVE THE PY'08 WIA YOUTH PROGRAM BUDGET AS PRESENTED; SUPPORT BY CHARLES MICHEL. MOTION CARRIED UNANIMOUSLY.

e. Recommendation to Modify FY'08 JET - DHS Support Services Budget

As reported earlier, the Macomb County Department of Human Services has made additional funds available for the JET program. In February, the board approved a supportive services budget of \$25,000. It has been increased to \$187,000. Since these funds must be used solely for supportive services, they offset costs to the regular JET program budget and allow for more training.

DEL BECKER MOVED TO MODIFY THE FY'08 JET - MACOMB COUNTY DHS SUPPORT SERVICES BUDGET AS PRESENTED; SUPPORT BY WILLIAM MORELLI. MOTION CARRIED UNANIMOUSLY.

f. Informational Items

i. Trade Adjustment Assistance Expenditure Report

Since the State changed policy for distribution of TAA funds, there is no annual allocation. Funds must be requested as needed and the organization is reimbursed for actual expenditures, eliminating the need for monthly budget modifications. Staff continue to provide expenditure reports.

While comparing the year-to-date expenditures of 2007 to 2008, Ms. Matuja noted a large deviation in spending between the two years, i.e., \$709,898.65 in 2007 versus \$1,746,365.43 in 2008.

ii. Third Quarter WIA Performance Report

Statistics for the third quarter of Workforce Investment Act programs reveal that nine categories were exceeded, seven were met and one failed. The failure of the older youth credential rate stems from the difficulty in serving this population who are required to obtain a national credential in order to meet this goal.

6. Executive Director's Report

Mr. Bierbusse reported that while the State has applied for additional funding through a National Emergency Grant (NEG), there has not yet been approval from the federal government. The State requested \$22 million; the US Department of Labor has requested this amount be reduced to \$15.3 million. Members will be informed of receipt of any NEG funds.

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In a similar request, the State has asked for an additional \$13 million in Trade Adjustment Assistance (TAA) funds. As yet, there is no response. Mr. Bierbusse cautioned that while the State continues to reimburse agencies, if funding is not approved by the federal government, the board will have to discontinue training to TAA-eligible customers.

Initially, the *No Worker Left Behind* initiative came with a precondition of the receipt of State dollars. The Governor's current budget recommendation is \$40 million. The State House Appropriations committee has approved; however, the Senate subcommittee proposes no funding. Therefore, the issue will return to conference committee with a poor likelihood of State funding approval. Mr. Bierbusse reported further that the Michigan Works Association will petition the Governor to tighten eligibility guidelines in order to avoid cessation of training to customers in mid-year. While he predicted current resources to extend training beyond January, he cautioned that unless additional funds are received, the program will not be viable to the end of the program year.

Also with increases in WIA funding and the number of customers to be trained, he advised caution regarding addition of more staff noting that as quickly as local funds increase, they can disappear as the rest of the nation experiences higher unemployment rates and funds get spread throughout the country in next year's formula allocation. Our current service provider is Macomb County, who has agreed to hire six additional case managers.

7. Other Business

Pat Anger took this opportunity to remind members of the importance of attending meetings. She also strongly emphasized the need for members to become active in committees where the majority of work is accomplished. A committee sign-up sheet will be circulated at the June meeting.

8. Hearing of the Public

There were no comments from the public.

9. Scheduling of Next Meeting

The next general meeting is scheduled for 4:00 p.m., Thursday, June 26, 2008 at the St. Clair Inn in St. Clair, Michigan. Members will be notified.

10. Adjournment

PAT ANGER MOVED TO ADJOURN; SUPPORT BY DEL BECKER. MOTION CARRIED UNANIMOUSLY. The meeting adjourned at 4:00 p.m.

Respectfully submitted,

Laura Carne
Recording Secretary