

**MINUTES OF THE
WORKFORCE DEVELOPMENT BOARD**

June 23, 2016

The Macomb/St. Clair Workforce Development Board met Thursday, June 23, 2016 at the Voyageur Restaurant in St. Clair with the following members present (denotes private sector):

AT ROLL CALL:

- | | |
|--------------------|-----------------|
| ✓ Pat Anger | ✓ Peter Keating |
| Deborah Bouts | Monika Leasure |
| Mike Connors | ✓ Mary Matuja |
| ✓ Hannah Costello | Mike Moran |
| ✓ Ann Forster | Rick Niedieck |
| ✓ Carl Gervason | Valerie Nunn |
| ✓ Virginia Gronley | ✓ Charles Shaw |

ARRIVED AFTER QUORUM:

Dan Casey

MEMBERS ABSENT:

- | | |
|---------------------|------------------|
| ✓ Karen Arondoski | ✓ Mike Kramer |
| ✓ Sharise Gavlinski | Jennifer Miller |
| ✓ Patti Gendernalik | Gary Polulak |
| Tanise Hill | William Peterson |
| ✓ Carter Hitesman | Jim Sawyer |
| ✓ Joe Keppler | Erin Smith |
| ✓ Maria Kokas | |

OTHERS PRESENT:

John Bierbusse

Gwen McNeal, BSBP

**Macomb/St. Clair Workforce Development Board
June 23, 2016**

1. Call to Order

Chairman Gervason called the meeting to order at 4:00 p.m.

2. Roll Call

Roll call was taken with 14 members present (8 private sector).

3. Approval of Previous Minutes

**PATRICIA ANGER MOVED TO APPROVE THE MINUTES OF MAY 26, 2016 AS PRESENTED;
SUPPORT BY MARY MATUJA. MOTION CARRIED UNANIMOUSLY.**

4. Chairperson's Report

Chairman Gervason reported that Ken Lampar has begun new employment which will make it impossible for him to attend meetings of the Macomb/St. Clair Workforce Development Board. Ken's resignation letter was read to the board and Mr. Gervason wished him well in his new position.

5. Standing Committee Reports

A. ONE-STOP COMMITTEE

1. Meeting of June 14, 2016

a. Informational Items

i. Michigan Works Service Centers Cost Allocation Plan

Rick Niedieck reported to the Board that cost allocation for service center rental space, supplies, utilities/janitorial and the security system is divided among the various funding sources based on the percentage of total square footage that is occupied for each lease.

The Clinton Township Service Center has three separate leases, one for each suite and that WIOA in-school youth (ISY) and out-of-school youth (OSY) is based on the split of 85% OSY and 15% ISY. The cost for utilities for the three leases are not billed separately.

One hundred percent of service center rental space, supplies and security for Suite 240 in Clinton Township is billed through the Department of Defense-Office of Economic Adjustment (DOD/OEA) grant.

Each center orders its own supplies and the costs are allocated by the percentage of square feet occupied by each funding source.

The service center security system is based the same as rental space. The cost to each funding source is determined by the percentage of square footage used per lease.

ii. Reemployment Services and Eligibility Assessment (RESEA)

In updating the Board on the RESEA program, committee chair Rick Niedieck reminded members that this program has replaced the UIA profiling program which identifies individuals that are likely to exhaust their unemployment benefits before returning to work. The RESEA program requires those customers to participate in reemployment services for a minimum of 2.5 hours or risk having their benefits jeopardized. Currently, Macomb/St. Clair sees an average of 25 names per week on the

**Macomb/St. Clair Workforce Development Board
June 23, 2016**

list that is provided weekly and receives \$215 for each RESEA claimant scheduled for reemployment services up to a maximum of \$115,637.

Additional funds were given to provide RESEA claimants with work-based training in the form of on-the-job (OJT) training or apprenticeships. Macomb/St. Clair received \$343,000 with a maximum of \$4,500 spent on each RESEA claimant placed in the program. As of June 9th, eight claimants have been placed in OJT contracts with local employers. MWAs across the state have reported low placement numbers. Staff have taken steps to increase the number of RESEA enrollments by informing eligible persons of the benefits this program can provide in helping them return to the workforce.

iii. Plant Closure Report

Mr. Niedieck gave an update on plant closures reported on at the previous meeting. Six worker orientations were held to provide information on reemployment services and unemployment benefits for 1,200 employees of Fiat Chrysler Sterling Heights Assembly Plant. Few individuals attended the first orientation but numbers are increasing with each additional orientation held. UIA and Michigan Works have begun outreach through the unions to contact more employees impacted by the layoffs.

Plans have changed to lay off 150 employees of the Sterling Stamping Plant. Currently only five employees face layoff and as a result, the June worker orientation has been cancelled.

Due to the Fiat Chrysler lay-offs, 200 employees from Faurecia Sterling Heights and Frasier plants received notice of layoff. Worker orientations were held June 9th and 10th for those individuals.

Dan Casey added an update on Royal Oak Boring stating that an investment group purchased the building and equipment. The plant will reopen by the end of August.

iv. Telling Our Story

The May issue of *Telling Our Story* was given board members. Each month success stories are submitted by staff from across all programs within our MWA. This month's issue includes stories from PATH, WIOA Dislocated Worker & Adult programs and a story on Advanced Boring and Tool, a company receiving funds to train two new employees through the Skilled Trades Training Fund program. Members are encouraged to read the newsletter in its entirety.

B. ADMINISTRATIVE COMMITTEE

1. Meeting of June 9, 2016

a. Recommendation to MODIFY FY 2016 St. Clair/Thumb Area Prisoner Re-Entry Budget

The Prisoner Reentry grant is funded by the State of Michigan through the Michigan Department of Corrections. This budget modification reflects a reduction after receiving additional funds due to an immediate need for short-term housing. The grant amount now totals \$380,076 with the majority of the funds being used for short-term housing, case management and plan management. With \$24,608 set aside as contribution to the administrative cost pool, the budget totals \$355,468.

MARY MATUJA MOVED TO MODIFY THE FY '16 ST. CLAIR/THUMB AREA PRISONER RE-ENTRY BUDGET AS PRESENTED; SUPPORT BY PATRICIA ANGER. MOTION CARRIED UNANIMOUSLY.

b. Recommendation to APPROVE PY 2016 Senior Community Service Employment Program (SCSEP) Budget

The PY 2016 allocation is at last year's initial level of \$783,252. \$78,000 is set aside for administrative costs, leaving \$705,252 to budget. The majority of these dollars will be used for current SCSEP participant wages. The PY 2016 budget totals \$705,252.

MARY MATUJA MOVED TO APPROVE PY '16 SENIOR COMMUNITY SERVICE EMPLOYMENT BUDGET AS PRESENTED; SUPPORT BY CHARLES SHAW. MOTION CARRIED UNANIMOUSLY.

c. Recommendation to APPROVE PY 2016 Administrative Cost Pool Budget (ACP)

Contributions from various budgets make-up the administrative cost pool revenues and provides for wages and fringe benefits of the Workforce Development Board core staff and expenses related to administration. The total amount of this budget is \$1,140,675.

PATRICIA ANGER MOVED TO APPROVE PY '16 ADMINISTRATIVE COST POOL BUDGET AS PRESENTED; SUPPORT BY MARY MATUJA. MOTION CARRIED UNANIMOUSLY.

d. Recommendation to APPROVE PY 2016 Information Technology & Computerization

This budget is derived of contributions from Adult, Dislocated Workers, Youth, PATH and Employment Services budgets and supports salaries for IT staff along with computer hardware and software purchases, equipment maintenance and repair and equipment supplies. The budget totals \$717,800.

MONIKA LEASURE MOVED TO APPROVE PY '16 INFORMATION TECHNOLOGY & COMPUTERIZATION BUDGET AS PRESENTED; SUPPORT BY MICHAEL CONNORS. MOTION CARRIED UNANIMOUSLY.

e. Recommendation to APPROVE PY 2016 Michigan Works Service Center Support Budget

The State allocation supporting service center expenses has not yet been received. This budget funds the infrastructure of the local service centers providing WIOA services with a large portion used for building rental. Contributions from WIOA dislocated worker and adult program budgets bring the total budget to \$450,300.

PATRICIA ANGER MOVED TO APPROVE PY '16 SERVICE CENTER SUPPORT BUDGET AS PRESENTED; SUPPORT BY MONIKA LEASURE. MOTION CARRIED UNANIMOUSLY.

f. Recommendation to APPROVE CY 2016 Reemployment Services and Eligibility Assessment (RESEA) Budget

An allocation of \$189,071 was received for CY 2016 (January 1, 2016 – December 31, 2016). These monies assist the employment service provider in working with individuals who are identified by the Unemployment Insurance Agency as needing additional services due to long-term unemployment. The budget totals \$170,171.

MARY MATUJA MOVED TO APPROVE CY '16 RESEA BUDGET AS PRESENTED; SUPPORT BY VIRGINIA GRONLEY. MOTION CARRIED UNANIMOUSLY.

g. Informational Items

i. National Emergency Grant (NEG) Job Driven Region 10

Macomb/St. Clair manages this grant for Region 10 which includes four Michigan Works Agencies; Macomb/St. Clair, Detroit Employment Solutions (City of Detroit), Southeast Michigan Community Alliance (SEMCA) which includes Wayne County and Monroe and Oakland County. This report shows that the total plan amount of \$831,905 has been distributed to Region 10 partners with \$536,207 in actual expenditures through March 31, 2016. It was noted that Detroit Employment Solutions has reported zero expenditures. Mr. Bierbusse stated that monies allotted to the City of Detroit will be reallocated to the remaining MWAs in Region 10.

ii. National Emergency Grant (NEG) Job Driven Region 6

Macomb/St. Clair also manages this grant for Region 6 which includes two MWAs; Genesee, Shiawassee, Thumb Works (GST) and Macomb/St. Clair (M/SCWDB). NEG funds have been used to hire people to distribute water to Flint residents increasing Genesee, Shiawassee, Thumb Works (GST) expenditures. The total amount of NEG dollars to Region 6 totals \$1,400,000 with expenditures through March 31, 2016 at \$1,079,882.

iii. Workforce Innovation and Opportunity Act (WIOA) PY 2015 Third Quarter Performance Report

The third quarter WIOA performance report shows that twelve standards were exceeded, four met with incentive, one met with no incentive and zero standards failed. If an MWA fails in an area, they risk losing their local designation status making it very important that we continue to meet or exceed these standards. One highlight of this report was the older youth average earnings increase from \$3,823 (6-month wage) during the 2nd quarter to \$6,208 (6-month wage) in the 3rd quarter. This shows a dramatic increase in wages and/or number of hours worked. Committee members praised staff for the excellent job they are doing in maintaining an overall high performance standard in all areas.

7. Executive Director's Report

Mr. Bierbusse handed out charts for the board's review giving a perspective on labor trends for Macomb and St. Clair Counties from 1999 to present. Macomb County saw no substantial growth in the labor force from 1999 until 2015 which showed an increase of 10,000 persons. The first four months of 2016 show that this trend is continuing. Despite a 9.7% increase in population since 1999, we are not seeing this same increase in the labor force.

**Macomb/St. Clair Workforce Development Board
June 23, 2016**

There has been steady growth in employment for Macomb County since the low of 2010. The charts show that the levels of unemployed Macomb County residents have returned to 2002 levels with an April 2016 unemployment rate of 4.6%, the lowest monthly rate since May 2001. Again this is partly due to fewer people in the labor force.

Charts for St. Clair County show that its recovery has not been as successful as that of Macomb County. The labor force continues to decline along with a decline in population. The charts show slow employment growth for St. Clair County residents. There are 24.1% fewer people working today than in 2000. St. Clair County has not returned to pre-recession levels.

Mr. Bierbusse believes there could be many reasons for the labor force not returning to pre-recession levels. Among those it could be that only one person per family is now working possibly due to the high cost of child care. He also believes that some Michigan residents left the state to find employment and that more people have been placed on disability.

8. Other Business

There was no other business.

9. Hearing of the Public

There was no hearing of the public.

10. Scheduling of Next Meeting

The next general meeting is scheduled for August 25, 2016. Members will be notified.

11. Adjournment

PATRICIA ANGER MOVED TO ADJOURN; SUPPORT BY MARY MATUJA. MOTION CARRIED.

The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Jean Wurmlinger,
Recording Secretary