

**CENTRAL AREA MICHIGAN WORKS! CONSORTIUM  
WORKFORCE INVESTMENT BOARD (WIB)**

**July 16, 2008**

**Maxfield's Restaurant \* Wyman**

**Members Present:** Terry Baker, Tom Batchelder, Carolyn Bennett, Dennis Dunlap (nonvoting member), Chelsey Foster (alt. for Don Schurr), Dale Howard, Dorothy Howard, Jeff Knox, Phil Larson, Glennes Page, Terri Romel, Sheral Simon, William Tammone (alt. for Don Burns), Bruce Traverse, Ralph Ward, Robin Whitmore, George Yost, and the WIB (ES Rep.)

**Members Absent:** Lou Adams, Steve Foster, Franz Mogdis, and Diane Smith

**Vacancies:** 2

**Staff Present:** Janet Bloomfield, Vice-President for Employment Training  
Jan Lacy, Assistant to the President  
John Van Nieuwenhuyzen, Administrator

**Guests Present:** Shirl Graham, MMI  
Phil Wilson, EightCAP, Inc.  
Steven Yager, Clinton/Gratiot County DHS

With a quorum present, the meeting was called to order at 5:34 pm by Tom Batchelder, Chairperson.

**APPROVAL OF THE MINUTES**

*MOTION WAS MADE AND SUPPORTED TO APPROVE THE MAY 21, 2008, MEETING MINUTES. Motion carried unanimously.*

**PUBLIC COMMENT**

There was no public comment.

Phil Larson introduced Steven Yager, newly appointed director of the Clinton/Gratiot County DHS.

**COMMITTEE REPORTS**

**Operations Committee – Dorothy Howard**

The Committee met on June 18, 2008.

- **Incumbent Worker Program Design**—The Committee discussed the current incumbent worker program design and a proposal to enhance the program—currently called “Training Alliance.” At the May meeting, the WIB gave staff approval to move forward on a work-flex waiver for this purpose. Board members received copies of the proposed Work Flex Waiver Request.

### CAMWC Work Flex Waiver Request

**Incumbent Worker Training Utilizing Local Activity Funds:** CAMWC is requesting a waiver to allow up to 10% of our Workforce Investment Act (WIA) Adult, Youth, and Dislocated Worker allocations to be utilized as local activity funds to enhance and operate an incumbent worker training program for the purpose of sustaining economic viability of regional employers and their workforce; developing skill training for the purpose of layoff aversion and targeting business entrepreneurs for training to build, sustain and enhance their long term success. These funds will be targeted toward companies in the same manner as the statewide training funds. Therefore, WIA performance measures will not be applicable. Performance outcomes, however, will be reviewed and monitored by the Workforce Investment Board. The Board will also follow all Department of Labor and Economic Growth's Incumbent Worker Policies and Procedures. We are requesting an effective date of October 1, 2008 and to end June 30, 2009.

**Statutory Requirements to be Waived:** Consistent with Section 192 of the WIA and Section 661.430 of the WIA, CAMWC is seeking a waiver of restrictions on the use of our WIA formula allocation in order to operate an enhanced and responsive incumbent worker training program. The waiver will allow the board to use up to 10% of the fund allocated under Section 133(b) of the WIA, to operate an incumbent worker program as described under Section 134(a)(3)(A)(iv)(I) and consistent with 20 CFR Sections 6645.210 and 665.220.

**Outcomes to be Achieved by Obtaining the Waiver:** The waiver will provide flexibility to enable CAMWC to offer training to meet the demands of current employers, to identify the training needs of incumbent workers employed by these companies, and to arrange the training to help the incumbent workers upgrade their skills.

The outcomes of this waiver are to:

1. Increase employer exposure to services offered by CAMWC and the overall workforce development system;
2. Increase the number of employers served in the CAMWC region;
3. Improve the economic and business climate of the CAMWC region;
4. Upgrade incumbent workers' skills and/or job classifications; and
5. Increase incumbent worker wages.

**Description of Individuals Impacted by the Waiver:** The waiver will benefit the participating companies, the incumbent workers at those companies, the Central Area Michigan Works! Consortium region by targeting employers or industries that are experiencing a decline and have the potential to undergo layoffs, or are experiencing a skills gap that impacts their ability to compete, retain workers, or expand.

**Description of Accountability Process:** The Workforce Investment Board and the Administrative Board review fiscal and participant summary reports at their regular meetings. These reports reflect the total Michigan Works! Agency. The Administrative Board also reviews the annual audit of the Agency.

CAMWC will post the waiver request to our website ([www.camwc.org](http://www.camwc.org)) and will include instructions on how comments may be submitted. In addition, a notice for a 30-day comment period will be placed in the local paper. The notice will direct interested parties to our website where they can view and comment on the waiver. In addition, a public hearing will be held at the July Workforce Investment Board meeting. Any public comments received will be forwarded to your attention.

The Committee is recommending approval of the expanded incumbent worker program design.

The Committee reviewed contractor performance and expenditure reports. It was noted that this is the first year that CAMWC has had excess carryover from WIA Youth. We have also had a significant increase in WIA Youth funding for PY 08, and staff are looking at other program ideas for the use of some of that funding. There was discussion about targeting 17-18 year olds that are in the foster child program and putting together targeted programming for them. CAMWC does not serve 14-15 year olds because of the performance standards.

- **Contract Renewal**

1. **GIRESD – Education Lab**-- The contract for Gratiot-Isabella RESD for the Montcalm County Education Services Lab program expires September 30, 2008. The contract allows for a renewal if expenditures and performance have been acceptable. The Committee is recommending a renewal of the Educational Lab (AMASE) Services contract with GIRESD for one year October 1, 2008 – September 30, 2009.
2. **MMI, Inc. and Ionia ISD – Jet and Food Assistance**-- The contracts for Ionia ISD and Mid Michigan Industries for the JET and Food Assistance programs expire September 30, 2008. The contracts allow for a renewal if expenditures and performance have been acceptable. The Committee is recommending a renewal of the JET and Food Assistance contracts with Ionia ISD and MMI, Inc. for one year October 1, 2008 – September 30, 2009. Funding awards per contractor will be based on the approved formula for each funding source.

The Committee was informed that mileage reimbursement for the JET program was increasing from 20¢ to 40¢ – temporarily – through September 30, 2008. DLEG does not know if there will be sufficient funding to continue the increased reimbursement in the next program year. Due to the uncertainty of the sustainability of this state policy, it has been recommended that the increase not be applied across all programs until we know if the increase will be permanent. This will be reviewed again in October.

***MOTION WAS MADE AND SUPPORTED TO ACCEPT THE RECOMMENDATIONS OF THE OPERATIONS COMMITTEE. Motion carried unanimously.***

### **Outreach Committee – Janet Bloomfield and Phil Wilson**

The Committee met on June 18, 2008.

- **21<sup>st</sup> Century Project Update – Labor Market Profile**—Brad Watts and George Erickcek, economists from the Upjohn Institute gave a presentation to the Committee on the labor market profile that had been completed for our area.

The WIB members received full copies of the report in their agenda packages. Phil Wilson highlighted information from the report for the benefit of the WIB members:

- Despite the current losses in manufacturing, the four-county area maintains an above average concentration in manufacturing. In 2006, manufacturing still accounted for 11.2 percent of all the region’s nonfarm jobs and 18 percent of its total earnings compared to 8.4 percent and

12 percent, respectively nationwide.

- The region is not an island. Except for Isabella County, the regional economy is dependent upon workers commuting to jobs outside the region and bringing their earnings back into the region. Additionally, the region's businesses are affected by the growth or decline of the economies in the greater Grand Rapids and Lansing areas. Typically, between 1 and 5 percent of employment growth or decline in one of these neighboring urban regions will be replicated in the CAMWC region.
- The CAMWC region's workforce is less educated than the state's or nation's workforce as a whole. In 2000, only 14.3 percent of its residents 25 years or older completed at least a four-year bachelor's degree, compared to 21.8 percent, statewide, and 24.4 for the nation. This is not unusual for a rural region with a strong manufacturing legacy; however, it still puts it at a disadvantage in attracting knowledge-based activities. Additionally, it is a bit surprising given the presence of Central Michigan University. A large state university is a rare asset for a rural region and one that currently appears to be underutilized for attracting and retaining high-skill workers.
- Although highly dependent on manufacturing in general, the region's manufacturing sector is well diversified.
- Younger generations hold manufacturing-sector jobs at a much lower rate than the baby-boomer generation (age 45 to 54 in 2006). The largest number of workers age 25 to 34 and age 35 to 44 are in the health care sector.
- Manufacturing-related occupations are expected to experience almost no growth between 2004 and 2014 in terms of absolute number; however, there is expected to be a demand for nearly 300 workers per year to replace those who are retiring or exiting the field.
- **Keep Learning Meeting**—Janet Bloomfield and Sheral Simon met with Kate Tykocki on June 26, 2008, at the Ionia Service Center to discuss Capital Area's Keep Learning Campaign (website address: [www.learnforourfuture.org](http://www.learnforourfuture.org)).

*Keep Learning is a group of businesses, government, media, and educators who recognize the need to change perceptions of education in mid-Michigan in order for the community to grow and thrive in the 21st century. Parents, students, and the community have the power to control the future with education. The more education people have . . . the more opportunities they have. As a community we must teach and expect our children to understand the importance of the relationship between education and financial stability and success.*

WIB members received copies of the campaign literature. Information from their meeting with Ms. Tykocki was shared by Ms. Bloomfield and Mrs. Simon. Additional information will be presented at the fall Michigan Works! Conference in Detroit.

Ms. Bloomfield encouraged the WIB members to give some thought to CAMWC implementing a similar campaign in our four counties. Board members were asked to forward their comments and ideas to CAMWC staff for development of action steps for moving forward. This information would then be used by staff to develop strategies and action steps for the Committee

to react to.

## **PLAN APPROVAL/MODIFICATIONS**

- **PY 08 WIA Adult, Youth, and Dislocated Worker (7/01/08 to 6/30/09)**

### **1. WIA Adult**

#### **Purpose of Plan**

- Establishes funding for the WIA Adult program.
- Identifies transfers of funds from the adult allocation to the dislocated worker allocation.

	<b>PY 08</b>	<b>PY 07</b>	<b>Difference</b>
Funding Level	\$1,450,583	\$1,070,573	\$380,010

### **2. WIA Dislocated Worker**

#### **Purpose of Plan**

- The WIA Dislocated Worker program funding is allocated to MWAs by formula each Program Year (PY) to provide assistance to Dislocated Workers.
- Identifies transfers of funds from the adult allocation to the dislocated worker allocation.
- CAMWC will transfer the maximum (30%) from Dislocated Worker to Adult to meet a growing demand.

	<b>PY 08</b>	<b>PY 07</b>	<b>Difference</b>
Funding Level	\$2,446,546	\$2,661,664	(\$215,118)

### **3. WIA Youth – Formula Funded Plan**

#### **Purpose of Plan**

- The WIA Youth program funding is allocated to MWAs by formula each Program Year (PY) to provide assistance to eligible youth.
- Serves youth who are 16 – 21 and low-income.

	<b>PY 08</b>	<b>PY 07</b>	<b>Difference</b>
Funding Level	\$1,932,856	\$1,470,952	\$461,904

### **Contract Awards**

Contractor amounts are based on pre-approved updated formula factors.

- **PY 07 WIA Adult, Dislocated Worker, and Youth Plan Modification**

The purpose of the plan modification is to identify the national rescissions' direct effect on the MWA's WIA Adult, Dislocated Worker, and Youth programs. While annual rescissions are not new to the WIA programs, this year there is additional complexity because there are multiple rescissions, which span several program years. Federal mandate prevented the rescissions from being completely satisfied with state level funding.

During FY 2008 [October 1, 2007 – September 30, 2008], U.S. Department of Labor was required to apply three separate rescissions. The rescissions were applied as follows:

1. To the FY 2007 Advance fund year source, a 1 percent across the board rescission. This rescission is applicable to the WIA Adult and Dislocated Worker programs only.
2. To the FY 2008 Advance fund year source, a 1.747 percent across the board rescission. This rescission is applicable to the WIA Adult and Dislocated Worker programs only.
3. To the \$250 million nationwide unexpended balances of formula funds appropriated in PY 2005 and PY 2006. This rescission is applicable to the WIA Adult, Dislocated Worker, and Youth programs.

The total amount of funding that is rescinded at the local level will be supplemented with PY 07 WIA Dislocated Worker funding [to be used in the PY 08 year].

Rescissions 1 and 2 were applied at the state level. Following is the rescission amounts for CAMWC [taken from PY 07] and the additional WIA Dislocated Worker funding amounts (calculated post-rescission) for PY 2007.

**Program Year 2007 (July 1, 2007, through June 30, 2008)**

<b>Funding Source</b>	<b>PY 2007 Adult Allocation</b>	<b>PY 2007 Adult Rescission</b>	<b>Revised PY 2007 Allocation</b>
Adult	\$1,070,695	\$ -13,061	\$1,057,634
Youth	\$1,473,989	\$ -21,372	\$1,452,617
Dislocated Worker	\$2,667,338	\$ -109,542	\$2,557,796

<b>Funding Source</b>	<b>PY 2007 DW Allocation (Post Rescission)</b>	<b>PY 2007 DW Additional Funding</b>	<b>Revised PY 2007 DW Allocation</b>
Dislocated Worker	\$2,557,796	\$ 143,975	\$2,701,771

- **PY 07 WIA Incentive Grant (July 1, 2007 through June 30, 2008)**

**Allocation:** \$35,734

**Purpose of Plan**

The WIA requires the distribution of incentive grants to local areas based on exemplary program performance. Incentive grants are awarded to local areas as a positive reward for successful efforts to improve the provisions of workforce investment activities. The following 17 indicators were developed to measure WIA performance:

**Adult Program Activities:**

1. Enter Employment Rate
2. Employment Retention Rate at Six Months
3. Average Earnings Change in Six Months
4. Employment and Credential Rate

**Dislocated Worker Program**

**Activities:**

5. Entered Employment Rate
6. Employment Retention Rate at Six Months
7. Earnings Replacement Rate in Six Months
8. Employment and Credential Rate

**Youth Program Activities:**

**Youth Ages 19 Through 21:**

9. Entered Employment Rate
10. Employment Retention Rate at Six Months
11. Average Earnings Change in Six Months
12. Credential Rate

**Youth Ages 14 Through 18:**

13. Skill Attainment Rate
14. Diploma or Equivalent Rate
15. Retention Rate

**Overall Program Activities:**

16. Participant Customer Satisfaction
17. Employer Customer Satisfaction

**Local Plan**—Incentive funds may be used to support Adult, Dislocated Worker, or Youth programming and Service Center infrastructure. Award notice was received on June 30, 2008 – the last day of the program year. Funds must be completely expended by June 30, 2009 and are not subject to the 85 percent required expenditure rate. Locally, the funds will be used to support WIA Adult programming.

- **PY 08 Capacity Building Grant (July 1, 2008 through June 30, 2009)**

**Allocation:** \$24,000 (total)

\$10,320 (1<sup>st</sup> Quarter)

\$13,680 (Remaining Balance Allocation)

**Plan**

- To be used in support of local Capacity Building and Professional Development.
- Will be utilized for, but not limited to, increased proficiency in meeting WIA performance measures, meeting local program goals, and ongoing system development.
- Administrative funding is limited to a maximum of two percent of allocated funding.

**Provider**—CAMWC will purchase capacity building and professional development services from the Michigan Works! Association.

- \$10,113.60 (1<sup>st</sup> Quarter Fee)
- \$13,406.40 (Remaining Balance Fee)

• **WIA Comprehensive 5-Year Plan Modification**

**Period:** July 1, 2000 - June 30 with extensions through June 30, 2009

**Purpose of Plan:**

- The WIA Comprehensive 5-Year Plan sets forth a number of fundamental principles to the operation of WIA Adult and Dislocated Worker services over the life of the legislation including:
  - Labor Market Analysis
  - High Demand Occupations
  - Michigan Works! Service Centers
  - Local Performance Measures
  - Adult, Dislocated Worker, and Youth Employment and Training Activities
  - Individual Training Account (ITA) Policies
- **Plan Modification: Adult, Dislocated Worker, and Youth Employment and Training Activities**

The Central Area Michigan Works! Consortium has requested a waiver to allow up to 10% of the WIA Adult, Dislocated Worker, and Youth allocation to be utilized as local activity funds to enhance and operate an incumbent worker training program for the purpose of sustaining economic viability of regional employers and their workforce; developing skill training for the purpose of layoff aversion and targeting business entrepreneurs for training to build, sustain and enhance their long-term success.

• **FY 08 Jobs, Education, and Training (JET) Draft Plan Modification (October 1, 2007 through September 30, 2008)**

**Draft Allocation**

FY 2008 JET Formula Allocations

	Total FY 08 TANF (\$)	Total PY 07 WIA/SWA (\$)	FY 08 GF/GP (\$)	FY 08 TANF (\$)	Available Funds (\$)
Original Allocation	1,404,640	95,886	336,713		1,837,239
Additional Allocation (NWLB funds)	28,632		32,169		60,801
<b>Additional Allocation (Mileage funds)</b>				<b>36,676</b>	36,676

### **Background**

Due to rising gas costs, the DHS is increasing the mileage reimbursement rate from 20¢ to 40¢ per mile for FY 2008. Whenever DHS implements a mileage increase, the Michigan Department of Labor & Economic Growth (DLEG) applies the same for the MWAs. Please note that at this time the increase pertains to FY 2008 only. It has not been determined if adequate funding will be available in FY 2009 to maintain the 40¢ maximum, therefore, the 20¢ per mile rate will remain in the supportive services PI 06-33 (and changes) until further notice.

The DHS realizes that in order for MWAs to meet the increased mileage reimbursement rate, additional funding will be required. Therefore, the DHS will amend the current interagency agreement and transfer \$1,836,000 of TANF funding to DLEG for statewide distribution. The additional funds may also be used to cover the cost of public transportation. The DHS is requiring that expenditures for these funds be tracked and reported separately.

General administrative costs are not to be charged against these funds.

### **CONTRACTOR ALLOCATIONS**

Funding will be released to the approved contractors based on the approved funding formula.

***MOTION WAS MADE AND SUPPORTED TO APPROVE THE PY 08 WIA ADULT, DISLOCATED WORKER, AND YOUTH PLAN; THE PY 07 WIA ADULT, DISLOCATED WORKER, AND YOUTH PLAN MODIFICATION; THE PY 07 WIA INCENTIVE GRANT; THE PY 08 CAPACITY BUILDING GRANT; AND THE FIVE-YEAR PLAN MODIFICATION; AND TO GIVE CONTINGENCY APPROVAL OF THE FY 08 JOBS, EDUCATION, AND TRAINING (JET) DRAFT PLAN MODIFICATION AS PRESENTED. Motion carried unanimously.***

### **PUBLIC HEARING – FIVE-YEAR PLAN MODIFICATION**

The Public Hearing on the WIA Five-Year Plan Modification was opened at 6:38 pm. A notice of the Public Hearing was posted at the Michigan Works! Service Centers and on the CAMWC website on July 9, 2008. The public comment period runs from 7/9/08 to 08/11/08. To date, no comments have been received. The Public Hearing was closed at 6:41 pm. There was no public comment during the Hearing.

### **SET WIB MEETING CALENDAR**

***MOTION WAS MADE AND SUPPORTED TO HOLD THE MEETINGS ON THE THIRD WEDNESDAY OF THE ODD MONTHS AT 5:30 PM AT MAXFIELD'S RESTAURANT. Motion carried unanimously.***

**2008-2009 Meeting Schedule**  
**(July 2008 to June 2009)**

**Wednesday, July 16, 2008**  
**Wednesday, September 17, 2008**  
**Wednesday, November 19, 2008**  
**Wednesday, January 21, 2009**  
**Wednesday, March 18, 2009**  
**Wednesday, May 20, 2009**

The meetings will be held at 5:30 p.m. at Maxfield's Restaurant (Wyman).

**ADMINISTRATOR'S REPORT**

- **Federal/State**—While we have wonderful announcements of jobs that are happening in Michigan, the State, in Mr. Van Nieuwenhuyzen's opinion, is starting to make things happen economically that make it feasible for companies to move here. We are where we probably should have been eight or ten years ago. The sad news in Michigan is that there are about 30,000 auto workers going out the door—we aren't sure how many of them will be Michigan workers—and 20% of the white collar force. Michigan is in an earthquake, and it hasn't stopped yet. Michigan workers need to wake up and realize that they need to be sharper so that companies want to come and do business here.

David Bradley was in attendance at the June Michigan Works! Directors' Council meeting. Mr. Van Nieuwenhuyzen shared three comments from Mr. Bradley's presentation: the American public's confidence in Congress is waning; confidence in the American President George Bush is dismal, and the only thing worse than that is confidence in the Michigan Governor.

At the State level, the General Fund/General Purpose funding for NWLB is the budget.

- **WIB Membership Drive Update**—Currently, there are two Private Sector vacancies on the Board that need to be filled: one in Ionia County and one in Isabella County. Board members received information on Timothy Flynn who has expressed an interest in serving as an Ionia County Private Sector member on the WIB.

Ms. Bloomfield has been working with Carolyn Bennett on identifying a nominee from the manufacturing sector to fill the vacancy in Isabella County. An individual had been identified but declined the nomination. If an Isabella County nominee from the manufacturing sector is identified prior to the August 4<sup>th</sup> CAMWC Board of Directors meeting, Ms. Bloomfield asked that she be allowed to take the recommendation to the CAMWC Board on the 4<sup>th</sup>.

***MOTION WAS MADE AND SUPPORTED TO FORWARD THE NOMINATION OF TIMOTHY FLYNN TO THE CAMWC BOARD OF DIRECTORS. Motion carried unanimously.***

***MOTION WAS MADE AND SUPPORTED TO AUTHORIZE JANET BLOOMFIELD AND CAROLYN BENNETT TO IDENTIFY AN INDIVIDUAL FOR THE ISABELLA COUNTY PRIVATE SECTOR VACANCY AND TO FORWARD THE NOMINATION TO THE CAMWC BOARD OF DIRECTORS. Motion carried unanimously.***

- **Substantial Layoff Update**—Kmart in Ionia is closing which will impact 80 individuals. There has also been a layoff of 400 individuals from Meridian Automotive. The company is hoping that they can do some restructuring to take care of some issues and that it will be a temporary layoff. They should know by the end of September whether it will be permanent or temporary. We are doing Rapid Response meetings with both companies at the end of this month to talk about service availability.
- **Status Report**—The report indicated \$9,560,014 in funding available, with \$7,334,429 expended as of May 31, 2008.
- **MPRI Update**—Board members received statistical data for the Central Area MPRI (nine-county region) and a copy of the Central Area MPRI presentation given to the Steering Committee on June 25, 2008.
- **Michigan Works! Conference – September 7-9, 2008, Detroit Marriott at the Renaissance Center**—Members interested in attending were asked to notify Jan Lacy immediately after the Board meeting.

### **MEMBER ROUNDTABLE**

Board members shared information and happenings from their local areas.

### **OTHER BUSINESS**

- There will be no Committee meetings in August.

### **ADJOURNMENT**

The meeting adjourned by consensus at 7:11 pm.