

MICHIGAN WORKS! WEST CENTRAL
WDB/LEO JOINT MEETING
LUDINGTON AREA CHAMBER OF COMMERCE
WEDNESDAY, DECEMBER 4, 2002

MINUTES

LEO Members Present

Fant, John
Hansen, Larry
Harper, Jack
O'Neil, Wayne
Pinkerton, James
Purcell, Tim

LEO Members Absent

Emig, Larry
Rothstein, Dan

WDB Members Present

Bowden, Colleen
Burcham, Dan
Christensen, Sharon
Fettig, Grant
Massy, Dan
Parke, Bud
Plosz, Rob
Rocco, Kenneth
Stanek, Bill
Strom, Elena
Thompson, Sheri

WDB Members Absent

Elo, Frank
Geno, Buck
Gilbert, Gary
Knooihuisen, Debbie
Laing, Victor
Norton, John
Repo, James
Scatena, Jim
Smith-Olson, Debbie
Stuck, Brian
Trucks, Mary
Vizithum, David
Yeomans, Terri

Michigan Works! Staff

Griffith, Paul
Reed, Brigette
Shoemaker, Connie
Wyman, Michael

Others Present

Albright, Linda - HRDI	Johnson, Judy - HRDI	Yeck, Vicky - Eagle Village
Bozeman, Jerri - Hope Network	Klumpp, JoLene- Hope Network	Young, Donna - HRDI & RCI
Gerts, John - WSCC	Lodes, Walt - HRDI	
Hall, Marie - Eagle Village	Nadeau, Diana - Hope Network	

Roll Call

The meeting was brought to order by WDB Vice Chairperson, Sheri Thompson at 12:43 p.m. at the Ludington Area Chamber of Commerce. Sheri thanked Colleen Bowden for supplying the ice cream for lunch, all three flavors were wonderful.

Roll Call indicates a quorum is present of the LEO, but not of the WDB.

Introduction of Guests

Guests were introduced and welcomed.

Minutes of October 2, 2002 WDB/LEO Joint Meeting - Mailed Prior

Larry Hansen moved to accept the October 2, 2002 WDB/LEO Joint Meeting minutes as printed; supported by Dan Massy; motion accepted by the WDB present and the LEO.

12:48 p.m.

LinkMichigan Presentation - John Gerts, West Shore Community College & Dan Massy, Osceola Economic Alliance

Paul reminded the Boards that a few months ago action was taken to use some of our funds as cash match for the state LinkMichigan Initiative. We have two project areas, Newaygo, Lake and Mason are in a five county area that also includes Manistee and Oceana. Mecosta and Osceola are in a 13 county area.

Paul introduced John Gerts who works with Patty Davidson from West Shore Community College who facilitate the LinkMichigan project for the five county region.

John, Network Administrator at West Shore Community College, provided a report of what has been done so far and where we are going next. LinkMichigan started meeting in early Spring 2002 and developed a strategy of tasks to be accomplished by the Task Force itself. The Task Force decided to apply for the LinkMichigan Grant and to do that we had to complete a document that discussed our plan and therefore gave us the requirements of the matching funds voted on by the West Central WDB/LEO. We then had to hire a consultant to carry out the tasks for the Grant and meet the requirements for LinkMichigan. We looked for a consultant that has done this type of study for other communities; could identify with a rural setting and be an advocate for us as far as Broadband is concerned. We also looked for a consultant with the technological background and the ability to work with governmental and public institutions; with the price also being a factor. Six bids were reviewed.

The consultant hired was Capitol Consultants, Inc. from East Lansing.

The Task Force identified three areas that needed to work in conjunction with each other. One was Technology to be aware of what is needed to reach this goal; Education was mandated to get the word

out, and the Advocacy group would help accrue the matching funds and making sure it's known in the right circles what the Task Force is all about.

We are looking at both sides of the Broadband issue - the supply side, and the demand side.

The consultant will then report on a constructive, economical and viable proposal for expanding Broadband and reaching more and more people in the five county area.

Dan Massy reported that high-speed connection is going to be the freeway system of the next century. We are part of the "Heart of Michigan Planning Group." This is 13 counties, which include Osceola and Mecosta, which is the largest planning group in the state. Mid-Michigan Net is the technical consultant. They actually have built a backbone for seven school districts and two ISDs in the middle part of the state. This allows tele-conferencing using one specialty teacher to teach in all the school districts. Merit Network was also hired as a second contractor.

This will allow a company coming into the area to get a cost and hook up to high-speed Internet access.

Paul reported that only about six counties in the state have not joined the initiative, a few in the UP and a few around Detroit.

October Program Reports

Δ Financial Report - Mailed Prior (Goldenrod)

Brigette reported that for the grants that ended September 30, 2002 these are the final numbers. All but \$244,042 was spent, of that \$244,042, all the Reed Act money (\$100,884) does carry forward. The remaining \$143,158 does go back to the state.

Of that total, the Food Stamp money is a very difficult pot of money to use. The people eligible for this are not required to come in. There is no incentive for them to participate in this program. The Welfare-to-Work money also has more constraints attached to it, and with the Procurement money there is no repercussions in sending that money back.

Brigette continued with the report for the new grants, which are at 8% and 33% of completion. The Strategic Planning Grant has no life, this can be spent on various projects, such as LinkMichigan.

Δ Enrollment/Expenditure Reports - Handout

	Hope WF/ RA	HRDI WF/ RA	Hope WtW	HRDI WtW	Hope WIA Adult	HRDI WIA Adult	Hope DW	HRDI DW	NCISD Other	NCISD ES	EV WIA Youth
Budget	\$606,294	\$549,690	\$145,176	\$140,179	\$345,364	\$350,934	\$290,214	\$241,313	\$201,957	\$227,043	\$918,673
Exp to Date	\$567,782	\$507,632	\$132,181	\$108,261	\$105,258	\$110,713	\$50,901	\$67,445	\$51,839	\$77,759	\$347,375
Exp by Mo	\$567,782	\$507,632	\$132,181	\$108,261	\$105,258	\$110,713	\$50,901	\$67,445	\$51,839	\$77,759	\$347,375
Actual %	129%	119%	135%	111%	30%	32%	18%	28%	26%	34%	38%
Cum %	94%	92%	91%	77%	30%	32%	18%	28%	26%	34%	38%
Plan Cum	100%	100%	100%	100%	33%	33%	33%	33%	33%	33%	33%
Difference	-6%	-8%	-9%	-23%	-3%	-1%	-15%	-5%	-7%	1%	4%
Budget Unspt	\$38,512	\$42,058	\$12,995	\$31,918	\$240,106	\$240,221	\$239,313	\$173,868	\$150,118	\$149,284	\$571,298

Paul reported that all the numbers look pretty good. There is some concern for the WIA Dislocated Worker expenditures for Hope Network, but their enrollments are up and expenditures trail enrollments, so it is expected that these numbers will come up by the next report. Keep in mind, that as of July 1, 2002, if an MWA has any more than 15 % of the WIA allocation left, it has to be given back to the state.

Paul noted that Welfare-to-Work is very restrictive and the Service Provider's have very little to do with how that money is expended.

Δ Performance Standards Report (Work First) - Handout

Work First	September 30, 2002	Lake	Mason	Mecosta	Newaygo	Osceola	Total
Participants Enrolled into Activity		307	408	525	520	418	2,178
% Enrolled into an activity		100%	100%	94.6%	86.0%	100%	94.9%
Participants Enrolled into Unsub. Employ.		120	189	296	235	197	1,037
% Enrolled into Unsubsidized Employment		39.1%	46.4%	56.4%	45.2%	47.2%	47.7%
FIA Case Closures Due to Excess Income		94	152	191	177	152	766
Cost of Placement per WF Participant							\$825
Average Hours Unsubsidized Employment		32	32	31	34	31	32
Average Hours 90 Day Retention		34	32	33	36	34	34

Δ Performance Standards Report (WIA) - Handout

(Revised Preliminary July 1, 2001 - June 30, 2002 Data)				
Performance Standards		MWWC Goal	MWWC Actual	%
1	Adult Entered Employment Rate	72.6	85.2	117%
2	Adult Employment Retention Rate at Six Months	75.8	66.4	88%
3	Adult Average Earnings Change in Six Months	\$3,498	\$962	27%
4	Adult Employment and Credential Rate	59.3	66.1	112%
5	Dislocated Worker Entered Employment Rate	81.4	96.3	118%
6	Dislocated Worker Employment Retention Rate at Six Months	81.3	89.7	110%
7	Dislocated Worker Earnings Replacement Rate in Six Months	92.2	105.0	114%
8	Dislocated Worker Employment and Credential Rate	53.6	81.5	152%
9	Older Youth Entered Employment Rate	72.4	52.2	72%
10	Older Youth Employment Retention Rate at Six Months	65.3	20.0	31%
11	Older Youth Average Earnings Change in Six Months	\$2,900	-\$838	-29%
12	Older Youth Credential Rate	43.0	48.0	112%
13	Younger Youth Skill Attainment Rate	56.6	90.7	160%
14	Younger Youth Diploma or Equivalent Attainment Rate	45.0	59.4	132%
15	Younger Youth Retention Rate	47.2	70.0	148%
16	Participant Customer Satisfaction	68.0	89.4	131%
17	Employer Customer Satisfaction	66.0	89.0	135%

Paul stated that we did increase in two performance standards since the last report. We will receive the final Performance Standard report later this month.

“Jump Start” Video - Marie Hall, Eagle Village

A nine-minute video produced by Eagle Village was shown to the Board members, showing the dynamics of the Jump Start program.

Marie stated that Eagle Village has completed a project with Chippewa Hills School District serving 12 kids. Morley Stanwood has a project similar to the “trails” project offered at Big Rapids.

60 kids from Morley Stanwood may take part. Big Rapids schools, Crossroads Charter Academy, Ewart and Mason-Lake schools will be part of the Jump Start program later this Program Year.

Michigan Works! West Central 2001/2002 Annual Audit - Mailed Prior

Brigette Reed reported that West Central had Williams, Young as the auditing firm. This is their fourth year doing this for us. On page 9 under equipment, we are only required to report to the state equipment unit cost of \$5,000 or above. So this amount is only what's reportable to the state, while our total equipment is actually valued at \$1.1 million. On page 12, Schedule A expenditure of Federal Awards, there is one correction, the Department of Housing and Urban Development Grant/Governor's Career Scholarship Project the grantor agency is not the Michigan Department of Career Development, but the Michigan Economic Development Corporation. On the last page, "No Findings" again this year, which qualifies us as "low risk." To be considered "low risk," an agency has to have three consecutive years of "No Findings" and no major management change.

Paul stated that the policy of the two chairs has been that if there are any findings or issues, we bring the auditors in to present the audit. If there are no findings, Brigette presents the report.

Jim Pinkerton stated that Michigan Works! West Central has a very good team. Kudos to Paul and Brigette and their staff.

Plans and Modifications

Summary - Blue

1 Work First Modification 03-01

Mike Wyman stated that the Work First plan includes Work First, Reed Act, and Welfare-to-Work funding. The modification incorporates \$100,884 of carry-in funding to this year's plan. Reed Act is the only Welfare Reform funding that carries forward, due to the unusual circumstances involved in using this funding to assist in balancing the state budget.

2 Food Stamp Assistance Employment & Training Modification 03-01

The modification changes plan language to agree with rule changes for this program. Participants going to school are no longer required to work ten hours per week and other programmatic changes are being made to the plan narrative.

Bill Stanek moved to accept the Work First Modification 03-01, and Food Stamp Assistance Employment & Training Modification 03-01 as presented by Michael Wyman; supported by Dan Burcham; motion accepted by both the WDB present and the LEO. 1:44 p.m.

3 Bureau of Workers & Unemployment compensation 03-00

Paul reported that the Unemployment Agency is now the Bureau of Workers and Unemployment Compensation and has allocated \$500,000 to the MWAs utilizing the Dislocated Worker formula with a minimum of a \$10,000 allocation to each MWA. We have not received correspondence from BWUC yet, but expect to hear from them soon. Details are being worked out with the Michigan Works! Association. We expect to receive \$10,000 to \$12,000.

Most of this money will be passed on to the Newaygo County Intermediate School District because the ES staff has received the brunt of most of this with customers coming in and working with the new “Claims by Mail” format.

Mike reported that there is one other “coming attraction” under the Reemployment Initiative which is money used for those who are unlikely to return to their previous occupation as selected by a profile, the other way is in the industries that are declining. With the closure of all the Unemployment Agency offices and the Profiling information no longer

being available, we won't have a list of individuals to work with, so we will have to move to targeted industries.

Δ Update on Transition - Handouts

Paul showed the Board members an investigative report, which aired on Grand Rapids Channel 8 about two weeks ago. In some cases, some UA and MWA offices are hiring guards, it has gotten that bad. Walt stated that this was taped at HRDI's One Stop in Grand Rapids. The four ladies were actually clients of HRDI.

Paul stated that Michigan Works! West Central placed an ad in the Big Rapids, Ludington and Reed City newspapers, letting people know that the "Claims by Mail" form is available at the various Workforce Service Centers. Paul said the Newaygo County ISD Employment Services staff have done a marvelous job in dealing with a lot of angry people.

Some are turning to the Family Independence Agency for assistance. Sharon Christensen noted that the client must demonstrate that their benefits have been exhausted. The FIA workers are having a difficult time verifying this. Other than emergency assistance, the FIA cannot help.

Paul stated that beginning Monday, he did authorize staff to give out the name and telephone number of Noelle Clark, Director of the Department of Consumer & Industry Services. This is not to be given to everyone, but only to those who are really upset.

Two newspaper articles were given to the Boards as well:

"Unemployed people now can file claims through mail" -- The Pioneer (Front Page), October 31, 2002

"State apologized for glitches plaguing the jobless" -- Grand Rapids Press, November 26,

2002

Selection of New Baldwin Workforce Service Center Lessor

Paul reported that Michigan Works! West Central placed an ad to lease new office space in three papers, The Big Rapids Pioneer, Lake County Star and the Ludington Daily News. We did get two inquiries as a result of the ad, and sent out a total of four bid packages. However, as of Monday 5:00 p.m. we only received one bid. The bid received was from Gary Gerber, brother of Terry Gerber who owns the building we lease for the Reed City Workforce Service Center. The bid came in at \$14.50 per square foot. With some negotiation, Paul was able to get him down to \$14. Gary offered to bring it down a dollar a square foot if the “escape clause” could be taken out, but Paul explained that this is not possible.

Over a period of several years, this is the fourth piece of property looked at for the Center. Prices are as much as \$100,000 an acre in Baldwin. This bid would be for ten years and Gary Gerber has received approval for a loan through the Lake Osceola State Bank. This would be a three-quarter model of the Reed City Center.

James Pinkerton moved to proceed with the Baldwin Workforce Service Center, working with Gary Gerber as recommended by Michigan Works! staff; supported by Bud Parke; motion accepted by WDB present and the LEO. 2:07 p.m.

NOTE: Vicky Yeck left at 2:08

Selection of Pal Contractors - Handout (Pink)

Mike Wyman reported that we do have PAL money that runs from this October to next September, with last year’s money running through December 31, 2002, causing an overlap from October through December.

Staff looked at two years of running the program. We currently have five providers, two of whom did not bid, so the comparison is only for the three who did bid this time.

Of the money available, Baldwin Community Schools and RCI spent 95% and 93%; Fremont Schools spent 63% and 41%; and Mason County Central spent 27% and 40%.

The proposals received were Baldwin Community Schools/RCI requesting \$120,000; Fremont Schools asking for \$33,750 and Mason County Central requesting \$42,111.

The Providers are paid when someone attains a high school diploma or basic skills, so the money spent is earned.

The recommendation is based on expenditures. Staff recommend remaining funding be available upon request, in increments, when initial funding is earned, until all funding is allocated. Amounts are rounded to “whole participants.” Recommendation for Baldwin Community Schools/RCI is \$120,000, who decreased their cost per Attainment to \$3,200 and increased Attainments to 37 from 30; recommendation for Fremont Schools is \$15,750; and the recommendation for Mason County Central is \$16,813.

NOTE: Sheri Thompson left at 2:09 p.m.

Jim Pinkerton chaired the remainder of the meeting.

Tim Purcell moved to accept staff recommendation of \$120,000 for Baldwin Community Schools/RCI decreasing cost per Attainment to \$3,200 and increasing Attainments to 37 from 30; \$15,750 for Fremont Schools; and \$16,813 to Mason County Central. The remainder funding would be available upon request as it is earned to the Michigan Works! West Central staff; supported by Rob Plosz; motion accepted by the WDB present and the LEO. 2:14 p.m.

Election of WDB Chairperson and Vice Chairperson

Paul reported that Jim Scatena did send a letter to the WDB stating that he would be interested in being reappointed as the WDB Chairperson if that is the pleasure of the members.

Colleen Bowden moved to reappoint Jim Scatena as Chairperson of the West Central WDB; supported by Ken Rocco; Grant Fettig moved nominations be closed and a unanimous ballot be cast; motion accepted by the WDB present. 2:15 p.m.

Grant Fettig moved to reappoint Sheri Thompson as Vice Chairperson of the West Central WDB; supported by Rob Plosz; motion accepted by the WDB present.

2:15 p.m.

Δ 2003 LEO Chairperson and Vice Chairperson

Jim Pinkerton was reappointed Chairperson for the West Central Local Elected Officials and Larry Emig was reappointed as Vice Chairperson for the West Central LEO.

Oversight Committee Report - Handout

Jim Pinkerton stated that the Oversight Committee met with three Service Providers, Eagle Village, HRDI and Hope Network. The Committee felt everything was very positive with the Providers, a couple tweaks were mentioned, but all seem to be on track with the programs.

Jim Pinkerton and Jim Scatena agree that setting up the Oversight Committee has been very positive step to allow keeping track of the programs, allowing the Committee to be proactive instead of reactive.

Incumbent Worker Training Update - Handout

Paul explained that the Review Committee had awarded funds at their last meeting with some money left. The Committee had suggested going back to Newaygo County Intermediate School District and ask for a proposal for the remaining two of the four occupational skills. There is about \$7,300 that is not committed yet, NCISD is asking for \$7,750.

This proposal will allow for the fundamentals of basic electricity and the fundamentals of oxyacetylene, electric arc and inert gas welding.

Rob Plosz moved to accept staff recommendation to obligate the remaining funding to the Newaygo County Intermediate School District for their proposal in Occupational Skills; supported by Bill Stanek; motion accepted by the WDB present and the LEO.

2:21 p.m.

NOTE: Ken Rocco left at 2:22 p.m.

Review of Michigan's Welfare Reform - Handout

Michigan, along with Wisconsin, are viewed as national models in the welfare reform effort and Mr. Engler served as a key negotiator for governors in crafting the national reform measure in 1996 that President Bill Clinton hailed as "ending welfare as we know it."

The reforms have been hailed by many for shifting a mindset from dependency to an obligation to work.

Δ Supportive Services Chart

Paul stated that in the last Program Year, money spent on Welfare Reform activities in West Central is almost \$1.7 million (which includes all Work First, Welfare to Work and Reed Act

funds). Of this, \$568,000 is spent on Supportive Services, that's one out of every \$3, the state average is about 25%.

Mystery Shopper/Mystery Stopper Survey - Handout

Paul reported that the Baldwin Workforce Service Center had a Job Seeker - Telephone Mystery Shopper. The call was answered by Donna, she received a rating of all 9s.

The Big Rapids Workforce Service Center was Mystery Shopped by a Job Seeker - Telephone. The call was answered by Angie, who received four 10s and one 9.

Last, the Fremont Workforce Service Center was Mystery Shopped by a Job Seeker - Telephone. The call was answered by Rosa, who received four 9s and one 10.

Kudos to Donna, Angie and Rosa.

Paul reported that statewide this quarter, there were 29 interviews conducted across 23 sites, which received outstanding ratings. Our Baldwin and Big Rapids Centers are included on the list.

School Outreach Program Initiative - Handout

Paul stated that in order to assist teachers in preparing students for employment, Michigan Works! West Central and the Newaygo County ISD have developed the School Outreach Program.

Paul asked Board members to review the various modules and outlines that teachers can choose from.

Computer Training at West Shore Community College - Handout

West Shore Community College has been awarded a one-year \$25,000 grant from SBC Communications Inc. to help unemployed individuals receive technology training, enabling them to get better jobs and get back in the workforce.

Our Ludington Workforce Service Center has and will continue to help the college identify those in need of these services.

Statewide Listing of Plant Closings/Lay-Offs & New Jobs Created/Investments - Handout

Paul reported that the total number of notices for closings for Michigan went from 59 in 1998 to 105 in 2002. The total number of Lay-Offs went from 6,966 in 1998 to 10,637 in 2002.

On the list for 2002 for plant closings, we are listed twice, when Kmart closed in Ludington and again in Reed City at Pilot Industries.

On the positive side of the coin, public/private investment reaches almost \$5 billion of investments.

West Central Michigan Career Outlook Through 2008 - Handout

Paul stated that these brochures would be used in schools and our Centers to give people an idea of where the growth occupations are and what the average hourly wage is. This information is for rural statewide, non-metropolitan areas.

Career Pathways Chart - Handout

Paul stated that Career Pathways should be implemented in every K-12 in our region in another year. The pathways are broken down into six major career areas.

Michigan Works! West Central Website

Paul stated that our website has been kept updated. Each of our partners are listed and we have some really good “hot links.” These attach to well over 100 area employers plus many other links that are very valuable. The web address is www.michworkswc.org

Procurement Report - Handout

Deanna Richeson is the new Program Manager replacing Fred Grasman who was promoted.

Both the House and Senate approved additional funding for the PTACAP program in the amount of \$3.5 million, which will allow statewide PTAC programs to request funding up to \$600,000 versus \$300,000.

The value of contracts awarded year-to-date is \$43,341,482, with the value of International contracts at \$9,473,271.

Unemployment Chart - Handouts

The unemployment rates for October are Mecosta county at 3.8; Osceola county is at 5.4; Newaygo county is 6.9; Lake county at 7.4 and Mason county is at 10.4

Δ Mason County

Everyone tends to think that if there is a high unemployment, there are a lot of plant closures and people being laid off. However, this is not always true. It also happens when you have an influx of people coming to the area and then are not able to find a job. Unemployment is not determined by the number of people drawing unemployment, it is the number of people in the labor force looking for work. The labor force in Ludington increased twice as fast as there was the lack of jobs.

Newspaper Articles - Handout (2)

“Department dedicates pumper to Miller” -- The Pioneer (Front Page), December 2, 2002 -- featuring the family of past WDB member Bob Miller

Big Rapids Girls Basketball Team -- The Pioneer, November 6, 2002 -- featuring Elena Strom

Recognition of Dan Burcham, Larry Hansen and Dan Rothstein

Dan Burcham and Larry Hansen were both recognized for their contributions to the WDB and the LEO, respectively. Jim Pinkerton presented them each with a clock on behalf of both Boards.

New WDB Appointment

Jim Pinkerton reported that the LEO met and appointed James R. Jensen, Trustee on the West Shore Community College Board, to the Workforce Development Board. Mr. Jensen will replace Dr. Dan Burcham who is leaving the WDB because of a state stipulation that the Post Secondary position must be filled by a non-salaried representative.

Next Meeting, February 5, 2003 - Ice Mountain, Stanwood - Mecosta County

Δ 2003 WDB/LEO Schedule of Meetings - Handout (Blue - Unpunched)

Board members were given a new schedule of the WDB/LEO meetings for 2003.

Δ 2003 Calendar

Paul explained that these calendars are given to the clients of Michigan Works! West Central. It allows them to mark down appointments and keep the Workforce Service Center telephone numbers before them.

Other Business

Jim Pinkerton thanked the Service Providers for “making us look good.”

Jim also explained that this building is a good focal point housing the Chamber of Commerce and the Economic Development Corporation.

Reserved for the Public

Donna Young thanked the Boards for the faith they have shown in the Baldwin Community Schools and RCI. Without these funds the programs could not continue. “Heartfelt thanks to each one of you.”

Adjournment

Meeting stands adjourned at 2:58 p.m.