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OCT 07 2009

October 6, 2009

Chong-Anna Canfora
Director
Rapid Response Section
Michigan Department of Labor and Economic Growth
611 West Ottawa Street
4th Floor
Lansing, MI 48933

RAPID RESPONSE
WORKFORCE PROGRAMS

Dear Ms Canfora:

Since January 1997 Veolia and its predecessor, ATC has operated the Detroit MetroLift paratransit service as a contractor to the City of Detroit Department of Transportation. The address of the work site is 4011 Lonyo Street, Detroit Michigan 48210, 313-849-0610.

The City has become very deficient in its payments to Veolia. The City owes Veolia over six million dollars and has only paid Veolia slightly over one million dollars since the beginning of this year. Veolia has made every reasonable effort possible to seek payment. Last week we met with a representative of the Mayor and she has advised us that an outside law firm legal opinion is necessary and it will take an additional month to obtain. Yesterday, Veolia delivered a letter to the Mayor's office and DDOT advising the City that Veolia will suspend operation of the MetroLift service on midnight Monday October 12, 2009 unless the City pays its outstanding balance or comes to an agreement with Veolia as to the disposition of the balance and future payment arrangements.

Because of the critical nature of paratransit services, Veolia will standby and be ready to quickly resume service if payment is received. Accordingly, through the month of October and possibly longer, all employees will continue to be employed and paid. Employees are to report to Veolia in uniform for their scheduled shifts and to remain at the job site ready to perform MetroLift services. In the event the City fails to provide payment or make appropriate arrangements, Veolia will have to close its operation of the MetroLift services and layoff all employees, but whether this will be necessary or the date of such action is uncertain. The Federal Worker Adjustment and Retraining Notification (WARN) Act, Public Law 100-379, requires that all potentially affected employees or their collective bargaining unit representative, the Rapid Response Section of the Michigan Department of Labor and Economic Growth, and the Mayor of the City of Detroit be given notification of this possible "plant closure". Accordingly, this notice is being sent to you.

Additional information can be obtained from Michael Staley, Area Vice President, Veolia Transportation, 4011 Lonyo Street, Detroit Michigan 48210, phone 313-849-6610.



Except for hourly bargaining unit employees whose bumping rights are governed by seniority provisions contained in the bargaining agreement, employees do not have bumping rights. The bargaining unit employees are represented by:

Teamsters Local Union 243, Tom Weldon, Vice President Teamsters Local No. 243, 39420 Schoolcraft, Plymouth Township, MI 48170, 734-420- 6900 ext. 105

All Veolia MetroLift employees are affected by this action, including 90 drivers, 5 road supervisors, 5 dispatchers, 5 utility workers, 5 mechanics, 2 revenue handlers, Maintenance Manager, Maintenance Supervisor, Safety & Training Manager, Safety & Training Assistant, Operations Manager, Quality Assurance Manager, Benefits Coordinator, and Payroll Coordinator.

We know that this information is disturbing and Veolia is doing everything it can to resolve the issue with the City so that we can all focus on providing service to the disabled riders of the City of Detroit. As more information becomes available we will be providing it to you and your representatives.

Thank you for your hard work and dedication.

Sincerely yours,

A handwritten signature in black ink, appearing to read "M. Staley".

Michael Staley
Area Vice President



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RAPID RESPONSE
WORKFORCE PROGRAMS

Chong-Anna Canfora
Director
Rapid Response Section
Michigan Department of Labor and Economic Growth
611 West Ottawa Street
4th Floor
Lansing, MI 48933

RE: Veolia Transportation Services, Inc. ("Veolia") Supplemental WARN
Notice

Dear Ms Canfora:

This letter supplements my letter to you of October 6, 2009. In that letter I advised you that due to non-payment of Veolia invoices we had advised the City of Detroit and its Department of Transportation of our intent to suspend operation of the MetroLift paratransit services operated under contract to the City. Since my letter to you, Veolia has attempted to obtain payment and resolve the outstanding issues but these efforts were not successful. On November 5 we delivered a letter to the City informing the City that they had constructively terminated the contract and Veolia's operation of the remaining service will end on November 6, 2009 at 11:59 PM. As you know, the address of the work site is 4011 Lonyo Street, Detroit Michigan 48210, 313-849-0610.

Veolia will retain all employees on the Veolia payroll until December 7, 2009 which will be the last day of work. Veolia will close its facilities and layoff all employees effective the close of business on December 7, 2009. The Federal Worker Adjustment and Retraining Notification (WARN) Act, Public Law 100-379, requires that all potentially affected employees or their collective bargaining unit representative, the Rapid Response Section of the Michigan Department of Labor and Economic Growth, and the Mayor of the City of Detroit be given notification of this possible "plant closure". Accordingly, this supplemental notice is being sent to you.

As stated in the October 6 letter:



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Sincerely yours,

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Michael Staley
Area Vice President



Northwest Michigan Council of Governments

Let Our Resources Work For You.
• Employment • Business • Community

Chairman: Larry C. Inman

Workforce Development
Board Chairman: David R. Adams

Chief Executive Officer: Elaine Wood

November 3, 2009

Ms. Chong-Anna Canfora
Department of Labor and Economic Development
611 West Ottawa Street, 4th Floor
PO Box 30004
Lansing, MI 48909

Ms. Canfora,

Enclosed is a request for State Adjustment Grant funding from Northwest Michigan Council of Governments. Please consider this request a replacement of the request submitted on October 19, 2009. This application for funding more accurately describes the needs of the Northwest region, and presents a shift in focus for how the funding will be spent. Please disregard the previous application.

Customers of the Michigan Works! system in our region have embraced the goals of No Worker Left Behind, and have demonstrated to us their desire and need for training. As a result, our Workforce Investment Act allocations – both formula and ARRA – have been obligated for the remainder of the Program Year. Much of our funding is dedicated to pay for training for returning students – those customers who have taken this opportunity to pursue a two-year college degree. Our waiting list for No Worker Left Behind is growing, and at the same time more businesses are closing. We have great need for additional funding in order to assist our customers with their training goals. Funding awarded as a result of this State Adjustment Grant request will be used primarily for training workers who have been dislocated in recent layoffs and business closures.

Thank you for your consideration of this request. If you need any further information, please contact Janie McNabb, Director of Program Development and Community Relations, at 231-929-5058 or janiemcnabb@nwm.coq.mi.us.

Best regards,

Elaine Wood, CEO
Northwest Michigan Council of Governments

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NOV 09 2009

RAPID RESPONSE
WORKFORCE PROGRAMS

NARRATIVE

The Northwest Michigan Council of Governments requests \$458,700 in Rapid Response funds in order to assist dislocated workers in our region.

Two major dislocations are targeted in this grant application: MetaVation, LLC, and Priority Solutions. Both businesses were located in the Traverse City area. Priority Solutions closed in July, affecting 75 workers, and MetaVation, LLC, is scheduled to begin layoffs in January, affecting 125 workers. In addition to these two events, multiple smaller businesses have closed across the Northwest region, affecting a total of 474 workers in the last six months. For the small, rural communities in our region, this is a significant number of job losses, with devastating impact on fragile, small town economies.

No Worker Left Behind is the ideal program for many of these affected workers. It provides the skills necessary to succeed in the 21st Century workforce, enabling workers to transition to high demand, sustainable employment.

Thousands of workers in Northwest Michigan have embraced the goals of No Worker Left Behind. They are attending our orientations in record numbers, hoping to access the financial support necessary to begin their transition.

Because of the incredible success of this program, the Northwest region has enrolled more people in training than ever before. In fact, the number of people currently in training under No Worker Left Behind is quadruple the number in training only two years ago. The consequence of this success is that our region's funding has been inadequate to cover the costs associated with this influx of customers. We currently have a waiting list of 50 people, with no hope of enrolling these eager customers into their desired training programs during this program year. And this number does not include those dislocated from the two targeted companies who are now entering our system.

WIA Dislocated Worker funding awarded to Northwest Michigan in Program Year 2008 was significantly increased compared to the year before. Even with this extra funding, we had a waiting list at the end of that program year. We were fortunate to receive General Fund/General Purpose funding dedicated to No Worker Left Behind; this funding allowed us to enroll everyone on our waiting list – a total of 80 new students – for Fall 2009 semester. The GF/GP funding allowed us to reserve American Recovery & Reinvestment Act (ARRA) funding for January 2010 enrollments. However, we know this will be insufficient to meet our needs.

For Program Year 2009, our Dislocated Worker funding is significantly decreased compared to Program Year 2008. Yet we have a responsibility to assist those students who began their training when our funding was higher. When we combine our WIA Dislocated Worker formula allocation with funding from ARRA, and account for a reduction of 8 staff members in various programs, we have just enough available to keep our commitments to current trainees, with no funding left to start new students.

As of September 30, 2009, the MWA had expended \$373,506 in both formula and ARRA Dislocated Worker Program funding. We have obligated 100% of the remaining Program funds, \$1,807,660. Over 72% of ARRA funding is dedicated to training. This training includes On-the-Job Training, short-term trainings, certificate and vocational trainings, and remedial education; however, a vast majority will be used for two-year college degree programs, which our customers have overwhelmingly chosen to pursue. The costs for these returning students to continue their training programs in January will constitute a majority of our obligations. All other Workforce Investment Act program funds, including formula Adult and ARRA Adult, have been obligated as well.

In addition to the costs of tuition, books, and fees, No Worker Left Behind necessitates assessment, eligibility determination and documentation, and record-keeping in the One-Stop Management Information System. The process involved in preparing a customer for training requires staff hours. Therefore, we propose to utilize Rapid Response funding for one Career Advisor. The line item budget below reflects staffing costs for December 2009 through June 2010. The substantial majority of funding requested -- 82% -- will be used for training.

We anticipate providing training services to 75 Dislocated Workers with Rapid Response funding. In keeping with the guidelines of No Worker Left Behind, we are calculating a cost of \$5,000 per individual for training expenses. All funding received as a result of this request will be expended by June 30, 2010.

Line item budget for use of Rapid Response funds:	
Staff Salary (11/09 – 6/10)	\$25,500
Staff Fringe	\$12,400
Training (\$5,000 x 75 customers)	\$375,000
Total Program:	\$412,900
Admin:	\$ 45,800
Total Request:	\$458,700



Northwest Michigan Council of Governments

Let Our Resources Work For You.
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Chairman: Larry C. Inman

Workforce Development
Board Chairman: David R. Adams

Chief Executive Officer: Elaine Wood

October 19, 2009

Ms. Chong-Anna Canfora
Department of Labor and Economic Development
611 West Ottawa Street, 4th Floor
PO Box 30004
Lansing, MI 48909

Ms. Canfora,

Enclosed is a request for Rapid Response discretionary funds for services to dislocated workers in the Northwest Michigan region. This State Action Grant request is submitted in accordance with the Michigan Department of Energy, Labor and Economic Growth Policy Issuance 08-01.

The enclosed request specifies two significant dislocations in our region, MetaVation, LLC, and Priority Solutions. The layoffs associated with these business closures have immense impact on our small, rural communities. The funding requested will provide essential services to assist these individuals with their transition to high-demand, sustainable careers.

If you need further information, please contact NWMCOG's Director of Program Development and Community Relations, Janie McNabb, at 231-929-5058, janiemcnabb@nwm.cog.mi.us.

Thank you,

Elaine Wood, CEO
Northwest Michigan Council of Governments

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other is
withdrawn*

**RAPID RESPONSE
WORKFORCE PROGRAMS**

STATE ADJUSTMENT GRANT

DISLOCATION EVENT REPORT DATA:

Company Name: MetaVation, LLC Type of Dislocation: Closure
Location: Traverse City # of Employees Affected: 125
of Employees at Site: 125 MWA Name: Northwest Michigan Council of Governments

Company Name: Priority Solutions Type of Dislocation: Closure
Location: Traverse City # of Employees Affected: 75
of Employees at Site: 75 MWA Name: Northwest Michigan Council of Governments

STATEMENT OF PURPOSE: To provide additional funding to MWAs for dislocated worker services.

Please provide (on a separate page) a narrative addressing the following questions.

1. Why are discretionary funds being requested?
2. How many dollars in Dislocated Worker funds has the MWA expended to date?
3. How many dollars in Dislocated Worker funds has the MWA obligated to date?
4. How many participants will be served with the funds being requested?
5. Is a projected line item budget available?
6. Will all Rapid Response funds requested be expended by June 30 of the program year?

Check services to be provided:

- Core Services (registration not required)
- Core Services (registration required)
- Intensive Services
- Retraining
- Supportive Services/Needs-Related Payments
- TAA/NAFTA-TAA Participant Services

Program: \$ 302,550
Admin: \$33,600
Total Grant: \$336,150

MWA Director or Designee:

Clair Wood Signature 10-19-09 Date

I have discussed this Rapid Response funding request with the MWA Director, or his/her designee, and we agree that the MWA has insufficient funds available to provide services to the dislocated worker population in this area.

BWP Deputy Director:

Signature Date

BWP Director:

Signature Date

NARRATIVE

The Northwest Michigan Council of Governments requests \$331,550 in Rapid Response funds in order to provide the full range of employment and training services to dislocated workers in our region.

Two major dislocations are cited in this grant application: MetaVation, LLC, and Priority Solutions. Both businesses were located in the Traverse City area. Priority Solutions closed in July, affecting 75 workers, and MetaVation, LLC, is scheduled to begin layoffs in January, affecting 125 workers. In addition to these two events, multiple smaller businesses have closed across the Northwest region, affecting a total of 474 workers in the last six months.

Many of these dislocated workers have accessed core services in our Resource Rooms: job seeker visits to our centers have increased by 129% in the past six months. However, staffing in the Traverse City Resource Room is not adequate to handle this large influx of people. In addition, intensive services that involve one-on-one assistance require additional staffing. Also, due to the high demand for No Worker Left Behind tuition assistance, we have a waiting list of individuals who are eager to begin their transition into high demand careers.

We plan to use State Adjustment Grant funding to employ one Resource Room Assistant and one Career Advisor in the Traverse City One-Stop Center. These individuals will provide the following services:

- Facilitate customer use of the Talent Bank, labor market information, job search materials, and other resources available in the Resource Room;
- Assist customers with accessing community resources to prevent home foreclosure or other potential negative consequences of layoff;
- Assist customers with exploring training options, including researching in-demand occupations;
- Perform individual assessments to help workers identify employment goals, transferable skills, training needs and barriers to reemployment;
- Assist dislocated workers in accessing core services in the Resource Room;
- Conduct workshops focusing on job search techniques, preparation of a professional resume, networking and interviewing skills;
- Assist interested workers in programs they qualify for under No Worker Left Behind, including WIA Dislocated Worker and Trade Adjustment Assistance.

We are currently working with MetaVation, LLC to provide services on site to the employees before their last day of work.

In addition to the core and intensive services cited above, we intend to use Rapid Response funding to assist the 20 WIA Dislocated Workers currently on our waiting list for No Worker Left Behind training. We also hope to assist many of the newly dislocated workers from MetaVations, LLC with retraining in a new, in-demand occupation, for a

total of 50 individuals trained. Funding will cover the cost of tuition, books, and fees, as well as needs-related payments in the form of mileage reimbursement costs.

With 25% of the program year completed, the MWA has expended more than 25% of our WIA Dislocated Worker allocation. We have obligated all remaining Dislocated Worker funds.

We anticipate serving all 474 dislocated workers with Rapid Response funds, which will include core, intensive, and training services. All funds received will be expended by June 30, 2010.

Line item budget for use of Rapid Response funds:	
Staff Salary (11/09 – 6/10)	\$41,750
Staff Fringe	\$20,800
Training	\$150,000
Needs-related payments	\$ 90,000
Total Program:	\$302,550
Admin:	\$ 33,600
Total Request:	\$336,150

STATE ADJUSTMENT GRANT

DISLOCATION EVENT REPORT DATA:

Company Name: Several Employers Type of Dislocation: Lay Offs
Location: West Central Area # of Employees Affected: 830
of Employees at Site: Various MWA Name: Michigan Works! West Central

STATEMENT OF PURPOSE: To provide additional funding to MWAs for dislocated worker services.

Please provide (on a separate page) a narrative addressing the following questions.

1. Why are funds being requested?
2. How many dollars in Dislocated Worker funds has the MWA expended to date?
3. How many dollars in Dislocated Worker funds has the MWA obligated to date?
4. How many participants will be served with the funds being requested?
5. Is a projected line item budget available?
6. Will all Rapid Response funds requested be expended by June 30 of the Program Year?

Check services to be provided:

- Core Services (registration not required)
- Core Services (registration required)
- Intensive Services
- Retraining
- Supportive Services/Needs-Related Payments
- TAA/NAFTA-TAA Participant Services

Program: \$ 950,000
Administration: \$ 50,000 (5%)
Total Grant: \$ 1,000,000

MWA Director or Designee:

Paul J. Griffith, Executive Director
Paul J. Griffith Signature 11/3/09 Date

I have discussed this Rapid Response funding request with the MWA Director, or his/her designee, and we agree that the MWA has insufficient funds available to provide services to the dislocated worker population in this area.

RR Director:

Signature Date

DELEG Deputy Director:

Signature Date

State Action Grant Application
Michigan Works! West Central

Dislocation Events Report:

Question (1) Why are Governor's Discretionary funds being requested?

There are several reasons for the request. There have been a number of industry dislocations in the past year or more both in the area and around the area where the workers live in this MWA which have significantly increased the number of workers seeking training under NWLB. Even with the increase in those seeking training, a significant number of workers remain unemployed and not in training. The August Unemployment Report shows the unemployment rate in the West Central MWA has increased 54% from August 2008 to August 2009. (Source DELEG Bureau of Labor Market Information and Strategic Initiatives.) We have a list of 322 individuals in some stage of processing, from waiting for an orientation, to completing a registration, to starting school (all will not be enrolled, but that is what is in the pipeline).

Some of these businesses are believed to be eligible under the Trade Act and have filed petitions. However, there has been a delay in response to these petitions, which result in these workers who are seeking training being served with existing funding as the Trade Act petitions are still pending.

Another reason is, things are picking up in some parts of the MWA and there are increased opportunities to provide On-the-Job Training for new jobs, which require workers to be re-trained for new types of jobs in new industries. These needs, when they occur are relatively immediate. While this increase is desirable, significant portions of the Adult and Dislocated Worker funding available to the MWA has already been obligated to persons who applied for training earlier, leaving little funding for these new opportunities. In addition to some of the smaller increases of employment, Wolverine World Wide is expanding operations in Big Rapids that will result in 286 new hires, which also received a MEGA grant. We are working to set up customized training with this company now, for training beginning in late November. In eight work days our Center took 2,047 applications for Yoplait (General Mills) production jobs, located in Reed City (Osceola County), for 30 new jobs. Also Big Rapids Components (Haworth) announced they plan to hire 112 over the next year, beginning shortly, which is also part of a larger MEGA grant that includes 500 new jobs in Holland.

Here is an update on some of the dislocation events, which does not include those laid off in small groups in industries outside the MWA, for workers who reside in the MWA.

- Ice Mountain, (Mecosta County) two weeks ago permanently laid off 20 workers at the water bottling plant in Stanwood. This is the first time this employer has done this since beginning production at their Stanwood facility eight years ago.
- Memorial Medical Center in Ludington, (Mason County) has laid off 15 workers and are not filling 21 positions, and reduced the hours of 11 other employees.
- Pittsburg Glass Works glass plant in Evart, (Osceola County) has closed, laying off approximately 125 workers. A Trade Act petition has just been certified.
- Reed City Tool and Die (Osceola County) has laid off an additional 20 workers since January. A new Trade Act petition is still pending. This is their third Trade Act petition in four years.
- North American Refractories in White Cloud (Newaygo County) has permanently laid off 60 of their 109 employees.

- Straits Steel & Wire in Ludington (Mason County) has laid off 43 workers in two layoffs, leaving 57 working from a workforce of 100. A Trade Act petition has just been certified.
- Simonds International in Big Rapids (Mecosta County) has laid off 40 workers from a workforce of 100.
- Big Rapids Components (Haworth) (Mecosta County) permanently laid off 65 workers in two layoffs from a workforce of 350. The remaining employees are working 4 day weeks. (Note prior comment on page 2 regarding Big Rapids Components.)
- Ludington Components (Haworth) permanently laid off 25 workers from a workforce of 175.
- Federal Screw Works, Big Rapids (Mecosta County) has had two lay offs totaling approximately 65 workers. A Trade Act petition was filed by the state for these workers and the facility has been certified.
- Three companies with the same owner, Bentek – Reed City; White Cloud Mfg. and Acme Propellers – Big Rapids (Osceola, Newaygo and Mecosta counties) have 6 workers laid off from these three locations out of a workforce of 45, with more lay-offs expected in the coming winter months.
- Fluid Routing Systems, Big Rapids (Mecosta County) has 50 permanent lay offs plus 150 additional layoffs that are intended to be temporary. A Trade Act petition has been filed but is still pending.
- Whitehall Industries in Ludington (Mason County) had approximately 250 workers laid off. Last summer they were Mason County's largest employer. Now over half of the 560 workers that were at that plant are laid off. **UPDATE** - some have been called back, which has resulted in 328 currently working, leaving 232 still laid off. This is an aluminum extrusion plant, where approximately 85% of the company's business is auto related. A Trade Act petition had been filed for these workers but was withdrawn by the company.
- Western Land located in Ludington has laid off 19 of their approximate 80 employees.
- Ventra (Evert Products) permanently laid off 45 employees. A Trade Act petition was filed by Michigan Works! West Central on behalf of these employees. Their petition was just recently certified.

Question 2. How many dollars in Dislocated Worker funds has the MWA expended to date? See Chart below.

Question 3. How many dollars in Dislocated Worker funds has the MWA obligated to date? 123% (Regular WIA DW and WIA DW Recovery Act combined)

West Central has a waiver allowing increased transfers between WIA Adult and Dislocated Worker programs. For these reasons, all of this funding is reported in the application to assure full information is available for consideration.

Program	Funding	Expenditures (9/30/09)	% Spent	Obligated	% Obligated
WIA Adult	820,368	165,300	20.1%	865,400	105%
WIA Adult Recovery Act	261,203	158,700	60.8%	399,300	153%
WIA DW	781,800	174,60	22.3%	938,700	120%
WIA DW Recovery Act	551,917	225,700	40.9%	703,700	128%
Total	2,415,331	724,300	30.0%	2,907,100	120%

West Central has a strong record of effectively using additional discretionary funds requested. As can be seen, of the four Adult and Dislocated Worker types of funding, through the first 3 months of the Program Year, we are solidly on track to over-spend all of these allocations.

Using detailed charts provided by our two (2) Adult and Dislocated Worker Service Providers, West Central is currently \$500,000 over-obligated between these four (4) funding sources. Therefore, the first \$500,000 of our request is to cover already obligated funds we do not have and the second \$500,000 is to allow us to continue to enroll unemployed individuals in both classroom training and On-The-Job training during the remaining eight (8) months of the Program Year.

Question 4. How many participants will be served with the funds being requested? 400 to 425

Question 5. Projected Timeline and Budget

Projected Budget:

\$ 950,000	Contracted to Service Providers to serve participants
<u>\$ 50,000</u>	Administration and oversight costs (5%)
\$1,000,000	

Timeline: Funding will be allocated to Service Providers immediately upon approval. Expenditures would be reported the month after approval.

Question 6. Will Rapid Response funds requested be expended by June 30 of the program year?

Yes, depending upon demand from applicants/participants for training, some current Dislocated Worker funding will be transferred to the Adult program to meet demand.



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Director
Rapid Response Section
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4th Floor
Lansing, MI 48933

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Michael Staley
Area Vice President