

Governor's Talent Investment Board Quarterly Meeting
Meeting Minutes
March 5, 2013, Noon – 3:00 p.m.
Western Michigan Graduate Center
200 Ionia Avenue SW, Grand Rapids

MEMBERS PRESENT:

Steven Arwood	Mary Anne Gale	Geralyn Anne Lasher (for James Haveman)
Nancy Ayres	James Gaskin	Christine Quinn (for Michael Finney)
David Brule II (via phone)	Alan Gocha, Jr.	Arnie Redsicker
Robert Campau	Bing Goei	Kester So
Maura Corrigan	Katherine Hogan	Richard Wells
Tony Day (via phone)	William Jones	Gordon White, Jr.
Olga Dazzo	Frank Jonna	Scott Wilkerson
Kimberly Dickens	Michael Krushena	Elaine Wood

MEMBERS ABSENT:

Brian Balasia	Representative Frank Foster	Mara Letica Saad
Timothy Bryan	Nancy Gioia	Jai Shah
Brian Burnett	Mark Hackel	Frank Venegas, Jr.
John Cotton	Senator David Hildenbrand	Zane Walker
Patrick Devlin	James Jacobs	William Young
Helen Dietrich	Senator Phil Pavlov	Representative Adam Zemke
Mike Flanagan	Anne Rosewarne	

WELCOME AND OPENING REMARKS

Gordon White, Jr., Chair, called the meeting to order at 12:25 p.m. Mr. White provided a few opening remarks.

Mr. White shared that three Board members had resigned since the Board last met in December. He indicated that resignations had been received from Mr. Carl Camden, Mr. David Nicholson, and Mr. Paul Saginaw. Mr. White thanked the gentlemen for their service to the Governor and the State of Michigan. He indicated that the Governor's Appointments Office is in the process of identifying new Board members to fill these vacancies.

Mr. White announced that the departure of Mr. Paul Saginaw has created a vacancy on the Board's Executive Committee. He requested volunteers from those representing the Business sector to replace Mr. Saginaw on the Executive Committee. Interested individuals are to email the Board's staff at WDA-GTIB@michigan.gov by the close of business on Tuesday, March 19th.

Mr. White introduced two newly appointed Board members: Olga Dazzo, President of Health Reform Innovations, LLC, representing the Youth Activities sector; and Michael Krushena, who works in Marketing and Client Servicing for Ambassador Capital Management, representing the Business sector. Mr. White also informed the Board that Representative Frank Foster and

Representative Adam Zemke had been appointed to the Board by House Speaker Jase Bolger to represent the Michigan House of Representatives.

Mr. White introduced Ms. Stephanie Beckhorn and Ms. Krista Johnson, the new individuals from the Workforce Development Agency, State of Michigan providing staffing support to the Board. He also thanked Ms. Sue Ann Searles from the Michigan Economic Development Corporation for her hard work and dedication to serving the Board since its inception in late 2011.

Mr. White introduced a few individuals attending the meeting on behalf of the local workforce development board and Michigan Works! Agency and thanked them for their assistance with and financial support of the meeting.

Mr. White briefly reviewed the meeting's agenda and explained that the majority of the meeting would be spent in small groups discussing the topic of skills mismatch. He also asked Board members to take a few moments before leaving the meeting to write down their answer to the following question on the blank notecards on their tables: "If you could have one essential question answered at every meeting, what would that question be?".

UPDATES/NEWS FROM WDA AND MEDC

Mr. White introduced Ms. Christine Quinn, Director of the Workforce Development Agency, State of Michigan (WDASOM). Ms. Quinn provided the Board with an update on the agency's activities and initiatives via a brief PowerPoint presentation. The presentation included:

- A discussion of the responsibilities of the WDASOM;
- An overview of the Talent System;
- Details concerning the agency's funding request for the Skilled Trades Training Program;
- An update on the replacement of the Jobs, Education, and Training program with the Partnership. Accountability. Training. Hope. (PATH) program;
- An overview of upcoming changes to the GED testing protocol;
- Details concerning the agency's cluster strategy and other talent-related initiatives;
- A summary of collaborative efforts with other state departments; and
- A review of the WDASOM's Scorecard.

Ms. Quinn introduced Ms. Amy Cell, Senior Vice President of Talent Enhancement at the Michigan Economic Development Corporation (MEDC). Ms. Cell provided the Board with a brief update on the following MEDC activities and initiatives:

- The STEM symposium that was held on March 1st and 2nd in Southfield;
- The Community Ventures program;
- The Michigan Advanced Technician Training (MAT2) program;
- LiveWorkLaunchDetroit and LiveWorkLaunchGrandRapids; and
- Improvements to MI Talent Connect.

Mr. White thanked Ms. Quinn and Ms. Cell for updating the Board on the latest developments at the WDASOM and the MEDC.

ACTION ITEM: CONSENT AGENDA

Mr. Bing Goei, Vice Chair, explained that the only consent agenda item before the Board was the approval of the meeting minutes from the December 6, 2012, meeting. He asked if any Board members had any questions or comments pertaining to the meeting minutes. Hearing none, Mr. Goei asked for a motion to approve the December 6, 2012, meeting minutes.

A MOTION was made by Board member Scott Wilkerson and SUPPORTED by Board member Nancy Ayres to approve the meeting minutes. The MOTION was approved unanimously.

Before proceeding to the next item on the agenda, Mr. White asked Mr. Jacob Maas, the newly appointed Director of the local Michigan Works! Agency for Kent and Allegan counties, to address the Board and provide a brief update on what is going on in his local area. Mr. Maas shared information with the Board regarding the Ready Now event happening at Grand Valley State University on March 6th thru March 8th. Ready NOW! is a 3-day employer and job seeker event focused on pairing qualified individuals with local employers who have open positions. Mr. Maas' agency is coordinating with Ottawa County Michigan Works! to organize the event.

ACTION ITEM: RESOLUTION TO SUPPORT

Mr. White introduced the resolution before the Board for its consideration and approval to support the funding request submitted to the Legislature by the WDASOM for the Skilled Trades Training Program. He asked if any Board members had any questions or comments pertaining to the resolution. Questions and comments were as follows:

- Q: Is there any waiver authority for federal funds (i.e. Workforce Investment Act)?
A: Yes, but not for what we need in terms of flexibility to be demand-driven.
- Q: As a Board member, what are my rights in terms of strategic planning and budget input?
A: We will be sharing updates with the Board and asking for input at various points.
- Q: Will there be interaction with the Business Development Managers from the MEDC?
A: Yes.
- Q: How will financial hardship, livable wage, and documented skill set be determined?
A: That is yet to be determined.
- Q: How will this be marketed to employers?
A: Through our local partners.
- Q: Why have there been funding losses?
A: Continued reductions at the federal level impact the share of funds coming to Michigan.

- Comment: I've lost 30% of my funding over the last few years, but training continues to be expensive. I must be creative to be demand-driven.
- Comment: Request that the process for awarding the funding be reviewed. Rather than first come, first serve, announce that funds are available and then provide a specific period of time to apply for funds.

At the conclusion of the discussion, Mr. Goei asked for a motion to approve the resolution supporting the funding request for the Skilled Trades Training Program.

A MOTION was made by Board member Elaine Wood and SUPPORTED by Board member Scott Wilkerson to approve the resolution. The MOTION was approved unanimously.

SMALL GROUP DISCUSSIONS AND REPORT OUTS

Mr. White announced it was time for the Board members to break into their small groups for a discussion regarding skills mismatch. He indicated that the WDASOM has convened a workgroup around the topic whose charge is to identify the tools and resources necessary to create a more complete picture of what is going on in Michigan in terms of skills. The workgroup is examining both the supply and the demand side of the issue. Mr. White stated that the purpose of the Board's small group discussions was to provide the workgroup with some expert input on the issue to inform their work moving forward.

The Board members met in small groups for approximately an hour to discuss several questions provided to them by facilitators. At 2:15 p.m. Mr. White reconvened the meeting to allow for report outs from the groups.

The Supporting the Alignment of Workforce Development Efforts with Economic Development Efforts group provided the following summary concerning their discussions:

- What are the most significant barriers employers face when trying to find qualified workers to fill open positions?
 - Starting point is Pure Michigan Talent Connect
 - Define want vs. need
 - Ask the right questions
 - Need a common language
 - Too many applicants is cumbersome
 - In manufacturing, there are not enough applicants
 - Some companies have better processes for dealing with this
 - Need jobseekers with a willingness to work; work ethic and to be a team member
- Have you, or other businesses you work with, developed any successful strategies for overcoming these barriers?
 - National Career Readiness Certificate (NCRC) is used as a filter
 - Movement toward certifications/badges

- Holistic approach (including soft skills)
 - Community service in high school
 - Internships
 - Job Shadowing
- When creating a job description, how are key job duties identified and described? Whose job is it to create the job description? Are industry or occupational codes (Labor Market) used or referenced?
 - Handled through HR department in larger companies
 - No process in place in smaller companies
 - Foundational skills
 - Develop an outline of job description for smaller companies to use as models
- Are you aware of how much training an employee costs? Where do you obtain information regarding the cost of training? Have you worked with training providers in your area to develop training specific to your organization?
 - Varies depending on size of company
 - Invest for 6 months and expect return
 - Mentors
 - Train the trainer
- Are you aware of the cost, both now and long-term, of a vacancy within your organization?
 - Spread the job duties, cross train?
 - Employers don't understand the cost of turnover or vacancies
- What tools or resources are you currently missing that you need in order to find qualified workers to fill open positions?
 - Data on jobs 2-3 years out
 - Collaboration with education

The Advocating for the Integration of Workforce Development into the K-12 School System group provided the following summary concerning their discussions:

- What are the most significant barriers employers face when trying to find qualified workers to fill open positions?
 - Not always skills
 - Concessions have to make individually
 - Hours, training, childcare, financial, commitment
 - Lack of higher-level technical skills
 - Recruitment of technical skills
 - Right cultural fit
 - Gap in employment
 - Employee value proposition
 - Value of manufacturing industry
 - Creating opportunities – starting vs. ending
- What are the most significant barriers jobseekers face when trying to obtain employment?
 - Bubble effect; increased demand for jobs, a lot of people trained
 - Confusion in training and time

- Kids in school and not wanting to move them
- Background checks
- Have you developed, or are you aware of, any successful strategies for overcoming these barriers?
 - College programs that combine high school with college credits
 - Middle colleges (5 year high schools)
 - MATC² model
 - Encouragement and understanding value of picking career/occupation
 - Parents having conversations with kids
 - Occupational videos and reverse job shadowing
 - Schools talking to kids early about not wasting summer
 - Free internships
- What role does the K-12 system play in regards to Questions 1 and 2?
 - Find space for more extra-curricular classes
 - Educators need to be involved in the work world
 - Bring educators into businesses and then take lessons back to the classroom
 - Requirement of a position description in a business
 - Push early childhood education
 - Invest in kids who need it the most
 - Fix those things that can be fixed
 - Incentivize kids to participate in summer/job-related programs
 - Philosophical shift in K-12 to why a career is good
- What are the greatest barriers or challenges that the K-12 system faces in regards to preparing a skilled workforce?
 - Not enough accountability; educational process needs to have a measurable deliverable/metric
 - Simplify and clarify process
 - Social systems need to be more connected to educational system
- What tools or resources are you currently missing that you need in order for more of the available job openings to be filled with available job seekers?
 - Recommend legislative change to Governor regarding the election process for school board members; must have minimal qualifications

The Assisting the Structurally Unemployed with Financial Independence group provided the following summary concerning their discussions:

- What are the most significant barriers employers face when trying to find qualified workers to fill open positions?
 - Aptitude levels to qualify for open positions
 - Most positions require a high school diploma
 - College readiness
 - Transportation
 - Childcare access
 - Cultural issues due to significant number of long-term unemployed in state

- Management not understanding need for cultural shift
- Language barriers
- Homelessness
- Soft skills
- Previous incarceration (based on bad legal precedent in some cases)
- Lack of talent pipeline (incumbent workers)
- Benefit cliff (afraid to lose cushion from system)
- What are the most significant barriers the structurally unemployed face when trying to obtain employment?
 - Included in responses to Question 1
- Have you developed, or are you aware of, any successful strategies for overcoming these barriers?
 - Need to be able to measure success
 - Focus: HOPE Fast Track program
 - Need for intense remedial education to address aptitude barriers
 - Community Ventures
 - Need better coordination and communication between benefit side and workforce development side; functional disconnect exists
 - Cascade Engineering/The Source program deals with long-term and structurally unemployed
 - Culture, diversity, and benefits training
 - DHS workers embedded with employers
 - “Work-ramping”
- What tools or resources do the structurally unemployed require to accurately and successfully portray their skills and abilities?
 - Ability to read and function in work environment
 - PATH 21 day orientation a good start
 - Many employers no longer require a resume
 - Search for work much different now than it was 15 years ago (all online)
 - Credentials are important to employers
 - Federal funding requirements burdensome and often not relevant to employers
- How does the workforce system ensure the structurally unemployed have access to the tools and resources identified in Question 4?
 - See response to Question 3
- What tools or resources are you currently missing that you need in order for more of the available job openings to be filled with available job seekers?
 - Small business support system
 - Business advocate or navigator to assist with federal “red-tape”
 - You can’t teach a great attitude

The Supporting a Demand-Driven Workforce System group provided the following summary concerning their discussions:

- What are the most significant barriers employers face when trying to find qualified workers to fill open positions?
 - Overemphasis on going to college; not all jobs require a four-year degree
 - Work ethic or soft skills deficiency
 - Many applicants lack requisite basic, or foundational, skills
- Have you, or other businesses you work with, developed any successful strategies for overcoming these barriers?
 - Partnership/cluster approach; a “just-in-time”, customized approach to addressing employer/industry needs
 - In some industries, there is a growing need for a constant flow of candidates at the entry-level as many candidates are screened out for various reasons
 - Need for training at this level; industry not equipped to train their own
 - Need for mentoring programs and programs with a lot of support services
- When creating a job description, how are key job duties identified and described? Whose job is it to create the job description? Are industry or occupational codes (Labor Market) used or referenced?
 - General lack of awareness of codes and titles associated with LMI
 - Lack of knowledge about military codes and translation problems
 - Large companies have their own and often sophisticated systems
 - HR and specific work area generally collaborate on job description
 - Desire for job descriptions to be coded by WorkKeys scores
- Are you aware of how much training an employee costs? Where do you obtain information regarding the cost of training? Have you worked with training providers in your area to develop training specific to your organization?
 - Division between small and large companies generally
 - A company like Dow knows
 - Health companies well organized in this respect
 - Generally a lack of great metrics though
 - Costs are significant at small companies
 - Opportunities for groups of employers to collaborate on training
 - Often use “temps” to fill in
 - Need to reach middle schools somehow in a meaningful way to inform young people of career options
- Are you aware of the cost, both now and long-term, of a vacancy within your organization?
 - Division between small and large companies; large manufacturers know, especially those operating 24/7 as shortfall in production from vacancy would emerge quickly
 - General rule of thumb is that a vacancy costs a company 30% of the annual wage
 - Overtime costs would show up quickly
 - Many factors that don’t have metrics: lost opportunity, institutional memory loss
 - One manufacturer noted a particular type of CNC machine without an operator costs \$100 per hour
- What tools or resources are you currently missing that you need in order to find qualified workers to fill open positions?
 - Insufficient time to discuss this question

CLOSING REMARKS

Mr. White asked for any public comments. There were none. He reminded Board members who have not already done so to participate in a field trip by visiting their local Michigan Works! Service Center or by attending their local workforce development board meeting. Mr. White asked Board members to fill out the meeting evaluation form before leaving so their input may shape future meetings.

The Board's next meeting is scheduled for Thursday, June 6, 2013, from noon until 3:00 p.m. in Traverse City.

There being no further discussion, the meeting was adjourned at 2:50 p.m.