

Governor's Talent Investment Board (GTIB) Quarterly Meeting
March 5, 2012, 10:00 a.m. – 1:00 p.m.
Lansing Community College MTEC
5708 Cornerstone Drive, Lansing

MEMBERS PRESENT:

Rep. Jim Ananich	James Gaskin	Senator Phil Pavlov
Nancy Ayres	Nancy Gioia	Arnold Redsicker
David Brule II	Bing Goei, Vice Chair	Paul Saginaw (via phone)
Timothy Bryan	Mark Hackel	Paul Smith (for Maura Corrigan)
Brian Burnett	John Hamilton	Frank Venegas, Jr.
Robert Campau	Alisande Henry (for Mike Flanagan)	Zane Walker
Olga Dazzo	Steven Hilfinger	Gordon White, Jr., Chair
Kimberly Dickens	Katherine Hogan (via phone)	Scott Wilkerson
Helen Dietrich	William Jones	Elaine Wood
Michael Finney	Frank Jonna	William Young
Mary Anne Gale	David Nicholson (via phone)	

MEMBERS ABSENT:

Brian Balasia	Senator David Hildenbrand	Mary "Anne" Rosewarne
Timothy Bryan	James Jacobs	Jai Shah
Carl Camden	Mara Magdalena Letica Saad	Kester So
John Cotton	Timothy Leuliette	Representative Sharon Tyler
Alan Gocha		

WELCOME AND INTRODUCTIONS

Gordon White, Jr., Chair, called the meeting to order at 10:00 a.m. Mr. White provided a few opening remarks. He talked about his participation at the National Governor's Association State Workforce Board Chairs meeting in Washington DC, introduced Ms. Christine Quinn, who will be the new Director of the Workforce Development Agency (WDA), and reviewed the meeting agenda.

ACTION ITEM - STATE ENERGY SECTOR PARTNERSHIP (SESP) GRANT

Ms. Marcia Black-Watson, Energy Market Director from the WDA, gave a brief summary of the SESP Training Grant. Ms. Black-Watson stated that Michigan was one in thirty-four states that received part of \$191 million in American Recovery and Reinvestment Act (ARRA) funds, a total of \$5.8 million. Ms. Black-Watson talked about the goal of the grant, which is to train over 1000 individuals in high demand energy-related jobs and the focus of the grant, which is in advanced energy storage, solar energy, and energy efficient construction.

The grant required a prescribed governance structure where the State Workforce Investment Board is responsible for all oversight, the WDA is responsible for the day to day operations, and

a Steering Committee is required informing the planning and implementation of all sector strategy described and the success of the grant. Ms. Black-Watson stated the projects are led by two Michigan Works! Agencies (MWAs) and one MWA consortium. They are responsible for identifying the needs of employers and coordinating the education and training to meet those needs. Three primary outcomes were highlighted: new participants served, new participants completing a degree or certificate program, and the new participants that entered employment.

Q&A

Q: If 13% have been hired, do we know why the other % have not been hired?

A: There is only 13% placement because of how the grant was fashioned; there was more longer term training that was not started until August of 2010, so these individuals have not been placed yet because they have not yet completed their training.

Q: Of the 13% that have been placed, there is only 3% that have retained their employment. What has happened to the other 10%?

A: Employment retention is only at 3% because the 13% have only recently been placed; performance outcomes are very early, and we will see the numbers advance to the goals outlined as more time passes.

Q: Expenditures to date have been \$2.25 million, while only 13% have been placed. Can it be identified how much was expended on actual training? It looks like there will not be enough money.

A: A lot of ramp up caused expenses to be incurred, and the expenditures by quarter covers the whole scope of the grant; grant outcomes are expected to increase. The grantor is actually concerned that there will not be enough money to cover all of the training, however much of the training left is shorter term and costs less, versus the longer term training that costs more per participant.

Q: Will the training allow individuals to be competitive?

A: The training is being offered in solar energy, advanced energy storage, and energy efficient construction, and placements will be in the training prescribed. Industry was at the table when this grant was developed, so actual jobs were identified. However, the grant was applied for in 2009, and it is now 2012, so some modifications have been made.

Q: As part of the grant application, was a number of jobs committed by industry, and the grant developed to fill that pipeline? We know that even with training people, there are still jobs that go unfilled because not all training is matched with jobs.

A: Research did occur, and employers were at the table, so the grant application was truly a demand driven model. However, there have been changes in the industry so employers have had to make some adjustments.

Additional comments and suggestions included:

- The number of participants in training compared to the expenditures makes it look like the project is actually under budget, and there has been a good management of funds.
- Since there is confusion it is suggested to show what the plan is so everyone can understand. It does look like not all the funds will be spent, so show a plan that is 10% over budget. Provide clarity on the metrics and circle back to industry to gather additional information.

Mr. White explained the Executive Committee recommends the Talent Investment Board accept the oversight responsibility of the SESP Grant. This will come in the form of quarterly summaries that will include the progress on meeting the requirements of the grant, and also a summary of best practices that can be utilized statewide in future grant opportunities.

A MOTION was made by GTIB member Representative Jim Ananich, and SUPPORTED by GTIB member Robert Campau, to accept oversight responsibility of the SESP Grant. The MOTION was approved unanimously.

ACTION ITEMS – CONSENT AGENDA

Mr. Bing Goei, Vice Chair, explained the consent agenda items includes the minutes from the December meeting, the GTIB 2012 meeting schedule, and the GTIB By-Laws.

A MOTION was made by GTIB member Michael Finney, and SUPPORTED by GTIB member Williams Jones, to approve the consent agenda items. The MOTION was approved unanimously.

ACTION ITEM – WORKFORCE INNOVATION FUND APPLICATION

Mr. Bob Sherer, Manufacturing Cluster Director, WDA, talked about Building an Integrated Talent System for Michigan. He stated the WDA is applying for a grant through the Workforce Innovation Fund, and he is seeking the GTIB approval for a signature on a Memorandum of Understanding (MOU). Mr. Sherer identifies the five clusters: manufacturing, energy, healthcare, IT, and agriculture. He talks about the reasons to apply for this grant:

- The WDA is now organized into clusters, so this will align the local strategy with the state strategy;
- A cluster strategy sets priorities and an organization framework;
- The workforce system is resource starved, to this is another opportunity to pump more money into training;
- There are unmet needs in industry; relatively high unemployment with skills mismatch; and
- Allows the state to move more quickly with the cluster strategy.

Q&A

Q: If the GTIB approves, what would be the minimum deliverable; could there be a risk be the state?

A: The grant extends over 40 months, so the risk would be low since we would be able to spend the funds within that timeframe. However, there are defined obligations that will be outlined in the grant application that will be expected to be met. If the money is not spent, it is sent back to the federal government. The only liability is misuse of funds, which will be evaluated at the end of the grant.

Q: Where is the demand; is there anything in the grant for jobs lost?

A: The training will focus in Michigan and Michigan companies regardless of where the customers are.

Q: How will this grant be administered?

A: All local workforce development boards will be eligible to apply for funds; grants will be dispersed to locals by their application to the WDA.

Q: Of the \$12 million, \$8.7 million will be used for training?

A: The grant is currently being written, so any figures in the documents are for discussion purposes only.

Other comments included:

- There is not any engagement with universities; the creation of a sustainable competitive algorithm that includes universities that matches the need of training over time could make Michigan's grant more powerful, and a generation of algorithms would give us a method of analyzing the needs of the state.
- If we are measuring training as opposed to jobs, we want to push the outcomes to be correct, and the outcomes should be jobs.

A MOTION was made by GTIB member Scott Wilkerson, and SUPPORTED by GTIB member Nancy Gioia, to support the application of the Workforce Innovation Funds grant application, with the comments from GTIB members taken into consideration when drafting the grant. The MOTION was approved unanimously.

JOBS, EDUCATION, AND TRAINING (JET) PROGRAM REDESIGN PANEL PRESENTATION

Amy Cell, Senior Vice President of Talent Enhancement at the MEDC introduced the panel participants:

- Elliot Forsyth, MEDC
- Brian Marcotte, Welfare Reform Manager, WDA
- Robert Stauffer, JET Redesign Project Manager
- Sheryl Thompson, Dept. of Human Services (DHS)
- Luann Dunsford, Michigan Works! Association

Mr. Brian Marcotte gave an overview and history of the JET Program. He explained the Temporary Assistance for Needy Families (TANF) legislative history, the partners involved in implementing the program, and the work participation structure. He talked about the work participation requirements, what activities count towards these requirements, and also non core activities that do not count.

He explained that the state did not meet their federal work participation rates for both 2007 and 2008. A corrective action plan was submitted for 2007 and accepted, so the state did not face sanctions for that year. For 2008 the corrective action plan has not been accepted yet. In 2009 the state did meet their participation requirements. Challenges to meeting the work participation rate include the percentage of Work Eligible Individuals (WEI) that are deferred, the percentage of WEIs that do not show up for activities and are in non-compliance, the many barriers these individuals face, and the fact that basic education does not count as a core activity. It was further explained that when individuals do not show up for activities and continue to receive benefits, there is a process to track them down but it does take time. In addition, removing individuals who are non compliant is a lengthy process also.

Ms. Luann Dunsford added that a critical game changer for the reform of the program is the leadership of the current administration, Director Corrigan from DHS and Mike Finney from MEDC. They agreed that work participation matters, and the goal was to move people into jobs while keeping the integrity of the program. All partners involved are working together to meet these goals.

Mr. Elliot Forsyth explained the Kaizen event to transform the JET program in an effort to improve the program and participation rates. The results of the event identified future processes, non-value added steps, barriers, and defects, and identified accountabilities.

Q&A

Q: Do the 34% of people who do not show up for activities still get their cash assistance?

A: Yes, but then must attend a triage meeting. This process, called Notice to Attend, has now been automated, so if people do not show up some cases will not open. In addition, we are looking at models where local areas have best practices that could be implemented statewide.

Q: What is the root cause of the 34% no show?

A: Most are transportation and child care issues.

Q: Where does Michigan compare in the national average or with comparable Midwestern state as far as the work participation rate?

A: We do not have those figures on hand, but will provide them at the next meeting. Michigan is comparable with their surrounding states. We want to increase the work participation rate, but the goal is to get people into sustainable jobs.

Q: Could you elaborate on the comment about getting people into sustainable jobs? What about drug testing, or community work to teach program participants work ethic.

A: We are looking for legislation reform that will focus the program on simulating real work and real work experience.

Q: Are there enough resources, especially funding and continuous improvements, to make these changes happen?

A: Yes, we feel this can happen. The time legislation process does take time, and there is a larger concern with the systems changes that need to occur. There are two large systems that need to be more compatible and timely.

In addition, we are looking for creative ways to make changes. Streamlining the processes within the 140 DHS and Michigan Works! offices will also help. It would be an education for GTIB members to visit an office to see all what is involved, or have a meeting held on site if possible to help better understand.

Q: Are the rates really increasing or is there a drop off of people on the rolls?

A: These are actual increases in the participation rate.

TALENT INVESTMENT BOARD STRATEGY SMALL GROUP DISCUSSION

Board members were provided a short survey that listed the following questions and were asked to discuss at their tables. The bulleted points represent the answers during the table report out.

1. What do you see as the most pressing talent challenges and opportunities?
 - Keeping/attracting young adults
 - Filling the skills gaps/mismatch of skills
 - Making universities accountable to state and business needs
 - Increasing basic education
 - Communication/coordination
2. For employers-What are your most pressing talent needs?
 - We must address the basic employability needs of the structurally unemployed.
 - Skills necessary-technology and analytic capabilities
3. What would you like to accomplish as a GTIB member?
 - Policy and legislation – stick with the big picture guidance. We have plenty of local WIB members dealing with the daily local needs.
 - Assist the state in creating jobs and economic growth
 - Help promote better integration of the Unemployment Insurance Agency (UIA) with the WDA, the MWAs, and employers
4. What should be included as Talent Investment Board goals for 2012?
 - Get the JET Program reformed through new state legislation; Improve JET
 - Get the Adult Ed program fully integrated with MI Works!, so basic skills can be incorporated and contextualized with occupational training
 - Develop dashboard/metrics with the WDA

- Better integration of the MWAs and oversight
 - Creating connections with job creators and candidate pools
 - Create better linkage with agencies
5. What do you see as weaknesses in the Talent System (WDA, MWAs, MEDC, other partners)?
- Adult education (basic skills, such as reading, math, etc) is not yet integrated with the Michigan Works! system. We must get that done.
 - More emphasis on Career/Tech Ed in K-12
 - Lack of integration; Disjointed system; Lack of coordination
 - Lack of accountability
 - Lack of communication with employers
 - Need to focus on outcomes

CLOSING REMARKS

Mr. White asked for any public comments and there were none. He reminded Board members to watch the orientation webinar that was sent out to those who were unable to participate. The next meeting is scheduled for Tuesday, June 5, 2012 from 10:00 a.m. – 1:00 p.m. and will be in Lansing, with a location to be determined.

There being no further discussion, the meeting was adjourned at 12:00 p.m.

Approved June 5, 2012