

Governor's Talent Investment Board Meeting (GTIB)
December 14, 2011, 10:00 a.m. – 1:00 p.m.
Lexington Lansing Hotel, Ballroom D
925 South Creyts Road, Lansing

MEMBERS PRESENT:

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| Nancy Ayres | Bing Goei, Vice Chair | Arnold Redsicker |
| Brian Balasia | Mark Hackel | Mary "Anne" Rosewarne |
| Robert Campau | John Hamilton | Paul Saginaw |
| Paul Smith (for Maura Corrigan) | Steven Hilfinger | Kester So |
| Jon Cotton | Katherine Hogan | Frank Venegas, Jr. |
| Olga Dazzo | James Jacobs | Zane Walker |
| Kimberly Dickens | William Jones | Gordon White, Jr., Chair |
| Helen Dietrich | Frank Jonna | Scott Wilkerson |
| Michael Finney | Mara Magdalena Leticia Saad | Elaine Wood |
| James Gaskin | Timothy Leuliette | William Young |
| Alan Gocha | David Nicholson | |

MEMBERS ABSENT:

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| Rep. Jim Ananich | Michael Flanagan | David Hollister |
| David Brule, II | Mary Ann Gale | Sen. Phil Pavlov |
| Timothy Bryan | Nancy Gioia | Jai Shah |
| Brian Burnett | Sen. Dave Hildenbrand | Rep. Sharon Tyler |
| Carl Camden | | |

WELCOME AND INTRODUCTIONS

Gordon White, Jr., Chair, called the meeting to order at 10:00 a.m. Mr. White thanked the Board members for attending the meeting on short notice, and congratulated the members on their appointment to the Governor's Talent Investment Board (TIB). After providing a few opening remarks, introductions of the Board members followed.

CHARGE TO THE BOARD

Michael Finney, President and CEO of the Michigan Economic Development Corporation (MEDC), talked about the creation and responsibilities of the TIB. Mr. Finney stated the federal Workforce Investment Act (WIA) of 1998 requires each state to establish a state workforce investment board to advise the Governor on issues related to workforce development. The TIB fulfills this requirement and is Michigan's workforce investment board. Mr. Finney also stated:

- The TIB provides a vital role in bringing citizen involvement, engagement, and oversight to the state’s talent enhancement effort;
- The TIB is a business led, business majority Board and recommends policies to the Governor and state departments that guide workforce investment and training at both the state and local levels;
- In addition to meeting its federal regulatory responsibilities, the Board’s primary mission is to help develop a more nimble and innovative state workforce system.
- The Board will work with the business community to identify regional skill gaps and projected employer needs; will help develop a strategy to close those skill gaps and create a pipeline of talent to help employers run more effective businesses.

Mr. Finney also talked about the Board’s regulatory responsibilities as prescribed by federal statute and regulation. The TIB is responsible for:

- Reviewing Michigan’s State Plan for workforce development (Michigan’s workforce investment strategy), and other grants, plans, statistics, allocation formulas, and performance measures related to the workforce system;
- Developing strategies for continuous improvement of the workforce investment system, including the role the TIB will play in the ongoing process of continuing improvement;
- Engaging state and local leaders to drive workforce innovation; and
- Reviewing Michigan’s WIA Annual Report for the US Department of Labor (USDOL).

ORGANIZATIONAL STRUCTURE

Mr. Bing Goei, Vice Chair, talked about the organizational structure of the Board. Mr. Goei stated there will be an Executive Committee organized to provide overall direction to Board activities and review regulatory items prior to bringing to the full Board for action. The Executive Committee would also take action on matters when time does not allow issues to be addressed at a regularly scheduled meeting. All actions of the Executive Committee would be reviewed by the full Board at the next scheduled meeting, however when possible Board members would be given the opportunity to provide input on matters via email in an effort to be as inclusive as possible.

The Executive Committee would have a balance of the full Board representation, and would include the following individuals:

- Chair;
- Vice Chair;
- One labor representative;
- One youth representative;
- Representation from the community college;
- Representation from the Michigan Works!; and
- Three additional business representatives

Department directors would be invited to Executive Committee meetings on an as needed basis as subject matter experts, instead of as members of the Committee. This was proposed for several

reasons: to keep the size of the Executive Committee to a minimum, and to align with the charge of the Board as a community and business led Board advising the government.

The Executive Committee would meet in the month prior to each regularly scheduled meeting. Mr. Goei solicited volunteers for the Executive Committee. Board members expressed their interest to the Chair.

MICHIGAN TALENT SYSTEM

Workforce Investment Act

Mr. White introduced Ms. Stephanie Beckhorn, WIA Section Manager, Workforce Development Agency (WDA), as the next presenter. Ms. Beckhorn provided information on the Workforce Investment Act. She stated that as a business majority board, the Talent Investment Board plays an important role in advising the Governor to ensure Michigan's talent pool meets the needs of employers.

She talked about the requirements of the WIA, which is administered in all 50 states by the USDOL. The WIA requires the creation of a Governor's workforce board, and mandates the establishment of a statewide workforce delivery system. Included in this statewide system are local workforce investment areas with local workforce investment boards and administrative bodies called Michigan Works! Agencies (MWAs). There are 25 local areas and boards in Michigan, each required in conjunction with the local Chief Elected Official to develop a local workforce delivery system that includes a system of "One-Stop" service centers. Within the 25 local areas, there are approximately 81 full service centers and 28 satellite offices.

The WIA program serves adults 18 years and older, people who have lost jobs, and youth 14 – 21 years of age who are low-income, and have additional barriers. The services provided start with an initial assessment and an effort to connect an individual to an employer. If employment is not obtained, program participants move to the next tier of services. This includes a more comprehensive assessment and group counseling activities, all with continued efforts to connect with employment. Education and training services are also offered if employment continues to be unobtainable. Activities are intended to enable the participant to find and retain employment.

For youth program participants, tutoring, mentoring, occupational skills training, and summer employment opportunities are available. Additional populations served through the Michigan Works! Service Centers include Veterans, migrant seasonal farm workers, rehabilitation services, adult education participants, welfare reform participants, and Trade Act participants.

Congress establishes the funding for USDOL, who then allocates the funds to all states by formula, which is then distributed to the local areas. Funding continues to be reduced: 2009 funding was reduced by 23%, 2010 was reduced another 12%, and 2011 another 21%. Since employers still need talent and many people still need services, this means states need to be more creative and do more with less.

Ms. Beckhorn thanked the Board members for their service. She provided ideas for the members to orient themselves to their role and local area by:

- Identifying their local workforce investment board and visiting them;
- Identifying their local MWA and meeting with the Director;
- Visiting their local Michigan Works! Service Center;
- Identifying key industries and major employers in their area; and
- Helping identify the skills needed by their local employers and key industries.

Jobs, Education, and Training

Mr. White stated that the Governor, in his Talent Message, talked about addressing barriers to help Michiganders move from welfare to work. Low-income families in Michigan receive temporary cash assistance through a program that is supported, in part, by the federal Temporary Assistance for Needy Families (TANF) block grant. As a condition of receiving TANF funds, all states administer a work participation program to assist low-income residents in obtaining employment. Michigan administers its work participation services through the Jobs, Education, and Training (JET) program. In recent years, Michigan has failed to meet prescribed federal work participation rates.

Mr. White continued to say the Governor has asked the Dept. of Human Services to work in conjunction with the Dept. of Licensing and Regulatory Affairs (LARA), the Dept. of Technology Management and Budget (DTMB), and the Workforce Development Agency (WDA), to overhaul and redesign Michigan's JET program. He then introduced Mr. Brian Marcotte, Welfare Reform and Wagner-Peyser Section Manager, WDA, to talk about the Jobs, Education, and Training (JET) program redesign.

Mr. Marcotte stated the JET program is administered through the Michigan Works! system and is funded by the Department of Health and Human Services. The main requirement of the program is that cash recipients are engaged in employment or employment related activities, such as a training program attachment. The percentage of program participants in these activities is called the work participation rate. The state is subject to penalties if the work participation rate is not met.

This rate was not met in 2007-2008, so changes needed to be conducted. Improvements were made to increase efficiencies, create uniformity, and remove restrictions and excessive requirements. Michigan is still challenged to meet its required participation rate, so in January of 2012 the WDA, Dept. of Human Services, and the MWAs will review the program redesign and work together on more improvements. Mr. Marcotte took a few questions from the TIB members. A question was asked regarding how TIB members could help, and was answered by an expansion in subsidized employment opportunities. In answer to a question regarding excessive requirements, Mr. Marcotte stated Michigan standards are more excessive than federal standards, and by not meeting the required rate Michigan is penalized and funding is reduced.

The state is addressing these problems with continuous improvement efforts, and has begun to implement changes in Wayne County, Grand Rapids, and Flint. Fundamental policy changes need to

occur, to prepare participants for real jobs. To answer a question on how funds are distributed around the state, Mr. Marcotte stated they are distributed by formula, and this is not a fundamental change. The impact of program changes in the Upper Peninsula will help the state to a smaller extent than the county of Wayne. When asked how he defined success, Mr. Marcotte stated by reaching the required participation rate, and having the ability to close assistance cases enabling families to be self sufficient.

A question was asked regarding the data that will define success. The program redesign is very data-driven focusing on participants to become self-sufficient. Staff will pull together metrics and additional information for the next meeting.

Cluster Strategy

Mr. White introduced Ms. Diana Carpenter, Agriculture Talent Market Director, WDA. Mr. Carpenter provided information on the state's cluster strategy. She stated a cluster is a demand driven strategy model, and consists of a group of employers and different sectors in a specific industry. Agriculture was used as an example, and includes growing commodities, the transportation the industry needs, the education system, and migrant workers. Ms. Carpenter stated there are 77,000 unfilled jobs in Michigan. The cluster strategy will increase productivity, drive innovation, and stimulate new business to help fill those jobs. The five clusters in Michigan are agriculture, energy, healthcare, IT, and manufacturing, and will be horizontally and vertically aligned.

Ms. Carpenter talked about measuring the impact of this strategy by identifying the skills gap in the industry and how to meet those needs, and executing a plan by training. She stated the horizontal alignment will focus on leveraging limited resources to train individuals, and the vertical alignment will focus on the integration of state and local policies with all workforce partners and institutions. Ms. Carpenter said there are organizations already working with employers, and once connecting the dots is figured out, successful projects will be modeled with other partners, such as community colleges. Occupational skill sets will also be used and shared with training providers.

A TIB member commented that besides the technical skills proficiency it is equally important that employees have the ability to meet customer service requirements, and have positive behavioral skills. Soft skills are also important, such as problem solving and communication skills.

Mr. White stated that Mr. Ryan Doll, Trade Adjustment Assistance (TAA) Section Manager, WDA, was available to answer any questions about the closeout of the No Worker Left Behind (NWL) program. No questions were asked.

WORK OF THE BOARD

Mr. White talked about how the Talent Investment Board will conduct business as a group and why this is important. He stated meetings consume a lot of resources, and the more efficient they are, the better the return on investment. He also said the goal was to make these

meetings productive and effective, to accomplish what we set out to do, and to have everyone feel it was a good use of their time. A draft list of Talent Investment Board Rules of Order was shared with Board members. There were no comments on the draft document.

CLOSING REMARKS

Mr. White asked for public comment, and there was none.

Housekeeping items included:

- A flash drive was provided to all Board members with the background information that was emailed with the agenda and additional resources. Orientation resources can be easily added to the flash drive. This technology will be used in lieu of a hardcopy orientation binder. These materials can be found in the Governor's Talent Investment Board file folder.
- In addition to the Talent Investment Board Rules of Order, staff will be drafting By-Laws and developing a Google site for meeting materials and helpful links and resources. More information on this will be forthcoming.
- The next meeting date and time has been set for **Monday, March 5, 2012 from 10:00 am – 12:00 noon**. The meeting will be held in Lansing, with a location TBD.

ADJOURN

The meeting was adjourned at 11:30 a.m.

Approved March 5, 2012.