

MINUTES

Detroit Employment Solutions Corporation (DESC)

Board Meeting

Thursday, August 25, 2016

Time: 2:00 – 3:30 p.m.
Location: Samaritan Center One-Stop Center, 5555 Conner, Detroit, MI 48213
Facilitating: Laura Hughes, Chair

Directors Present: Ric Preuss, David Carroll, Jeff Donofrio, Lena Barkley, Don O’Connell, Mark Gaffney
Directors Absent: Cal Sharp (Excused), Mike Aaron, Toney Stewart
Staff Present: Jose Reyes, Kristin Bailey, Alessia Baker-Giles, Chauncey Samuel, Stephanie Nixon, Robert Shimkoski, Joycelyn Malcolmcarr, Cristal Perry, Herman Parry, Brandon Jessup; Cassandra Ricks; Rashid Barkaji, Robin Johnston
Guests Present: John Allen, Allen Brothers, PLLC; Maya Flowers, Ross I.E.S.; Andrew Cartwright, Tanisha Henson, Veronica S. Peavey, Maxie Jones, Manuela Zarate

PROCEEDINGS

The Meeting of the Detroit Employment Solutions Corporation (DESC) Board was called to order at 2:05 p.m. by Chair Laura Hughes. A motion was made by Director Lena Barkley to approve the agenda for today’s meeting and draft minutes of June 20, 2016, supported by Director Ric Preuss. Motion Carried Unanimously.

DESC BOARD CHAIR REPORT

Chair Hughes provided an update regarding the CEO Search Committee, the committee’s composition, and explained that the CEO job description has been posted and shared with various organizations. Chair Hughes also shared elements of the ideal CEO candidate profile, and explained next steps.

Chair Hughes also stated that the Board should consider how it can support DESC staff and identify individuals that can provide guidance to the team.

DESC INTERIM PRESIDENT/CEO REPORT

Mr. Jose Reyes, DESC Interim President/CEO, shared the following highlights from his report:

Finance

WDA 2016 Cycle II Review

The on-site reviews conducted June 27 – July 1 and July 18 – 22 found findings with YMCA and SERCO related to allowable cost/cost allocation/cost classification, budgeting systems and internal controls, financial reporting and procurement and contract administration. YMCA and SERCO must respond to findings and DESC will submit a corrective action to the WDA by September 26.

Cycle III

Monitoring visit will take place September 26-30.

Single Audit

Auditors will be back on site September 13.

Planning/Fund Development

Grants

Aspen Forum for Community Solutions

DESC received \$25,000.00 from the Aspen Forum for Community Solutions in order to continue funding DESC's Opportunity Youth Initiative. Funding was provided to Aspen by the Bill and Melinda Gates Foundation.

JP Morgan Chase

DESC has resubmitted the application to be approved for two years of funding at \$680,000.

America's Promise Grant

DESC is working with several partners on grant applications. America's Promise provides funding for efforts related to regional economic development and training for H1B visa occupations. DESC partners include a consortium of Midwest urban workforce agencies including Milwaukee, Detroit, St. Louis, Kansas City, Cleveland and other cities. Training in Detroit will initiate pharmacy tech apprentices for CVS Health and app developers for Grand Circus. A Workforce Innovation Network (WIN) proposal will work with six workforce agencies and community colleges in Southeast Michigan to provide CNC-related training for robotic and computer-related equipment developed by the FANUC Corporation. DESC is considering partnerships in several additional proposals as well.

Initiatives

ExperienceIT

The Experience IT Bootcamp cohort will launch August 22nd and will run for eight weeks. This will be the third cohort that DESC has sponsored. The average completion rate has been over 90%, with a placement rate over 85% and an average annual salary of \$45K-\$50K.

DOL Tech Hire Model

DESC is currently working with Focus Hope, Southwest Solutions and Grand Circus to develop the IT accelerator which will allow individuals with math and reading levels from 6th to 9th grade, to effectively remediate and take opportunities for direct hire, apprenticeships and bootcamp within the IT sector. Expected launch date is October.

Flex N Gate

In conjunction with the Mayor's Job and Economic Development team, DESC is working with Flex and Gate recruiters on outreach, recruitment and training strategies to fill 492 jobs. The plan is to go live in the third quarter of 2018.

DOL Summer Jobs and Career Pathway

Three hundred youth have been placed in summer jobs in coordination with the GDYT program. A draft implementation plan is being developed. In addition, the MWDB youth subcommittee started brainstorming development of the city-wide app and digital badging program. The program will serve 1,000 youth over a two-year period.

SNAP 50/50 Initiative

Under the leadership of the Mayor's office and the Jobs and Economic Development team, DESC is working with the State of Michigan in order to add to the state plan DESC's SNAP 50/50 providers, Focus: HOPE and Southwest Solutions. Inclusion in the state plan would make the providers eligible for reimbursement funding from the US Department of Agriculture, Food and Nutrition Service. The reimbursement program provides

50% reimbursement for non-federally funded programs that provide eligible employment and training opportunities for food stamp-only recipients.

Program Highlights

Grow Detroit's Young Talent (GDYT)

The GDYT program is currently in its 7th week with rolling start and end dates. Throughout the project there have been significant challenges with the payroll processing as it relates to timeliness and accuracy. DESC is working more directly with the process to better ensure that youth are paid accurately and timely. The official last day of work for the program is August 26th.

PATH

The PATH RFP has been released and DESC is looking at strategies that better serve the reduction in overall enrollment as well as the shift across the city in participant density. This strategy may create a need to reduce the number of contractors serving the population. DESC's ultimate goal with this program is to integrate with One-Stop services for maximum efficiency.

Demonstration Grant for Returning Citizens

As of August 15th, DESC has enrolled 233 participants and have placed 23 individuals into jobs. A more aggressive strategy plan is in motion for year two of the grant. These strategies include increasing monthly enrollment at both Ryan and Macomb. DPS has been contracted to provide tutoring/educational enrichment services at facilities. Training programs have been added to each facility. Transformational Programming will be introduced in year two to increase motivation and create more positive outcomes for participants.

Community Engagement

There has been good coverage of GDYT-related success stories on Channel 4 and 7, and in Michigan Chronicle. A GDYT thirty-second spot is now running on city cable channels and on Channel 4.

DESC billboards are now on Gratiot, Michigan Avenue and Lodge Freeway, directing customers to local one-stops.

A video has been produced for screening in corrections facilities to support the Demonstration Grant.

Multiple jobseeker success stories are appearing in the Michigan Chronicle.

Additional success story videos are being produced by the City of Detroit to run on city cable channels and on social media.

An RFP is in process for selection of new digital communications agency following mandatory end of 3-year contract with MCCI.

Compliance

DCC's grievance was appealed to the State. Per the WDA's decision letter dated July 29, 2016, the WDA found that DESC is within its contractual authority to deny reimbursement of incentive compensation as an unallowable cost under the contract.

DESC's Compliance Unit is also working with the Mayor's Office on the development of a referral process for job seekers. This process will allow elected officials and MWDB/DESC Board members to refer constituents or other community members to DESC for job search, training, or other workforce-related support services. Once referred, DESC will electronically send a monthly report to the elected official or board member on the status of the candidate's job search. This will allow the recipient of the report the opportunity to review the job seeker's progress and also be made aware of any major roadblocks to the candidate's success.

Organizational Development, Culture and Leadership

Organizational Structure

Key changes have been made to our organizational structure to better align DESC with its mission and to increase its efficiency/capacity.

Organizational Assessment

DESC is currently awaiting the status of its grant application to the Regional Workforce Fund.

LEAN Training for DESC

DESC is engaging in a two-tier LEAN training opportunity for various DESC staff members.

Team Building

DESC has had multiple team events over the summer such as the Insane 5K Inflatable Run, Tigers Tickets Raffle giveaway.

After Mr. Reyes concluded his presentation on the Interim CEO Report, Mr. Robin Johnston, Communications Manager, DESC, presented on DESC's new public service announcement, community outreach initiatives, and also provided an update on new programmatic collateral materials.

MAYOR'S WORKFORCE DEVELOPMENT BOARD UPDATE

Director Jeff Donofrio provided an update on the Mayor's Workforce Development Board (MWDB). He presented the following inquiry: How are we going to reset workforce development in the city of Detroit in order to reach the "North Star" goal set by the MWDB? He stated that Detroit is making significant progress, with almost 5,000 more Detroiters employed in the first six months of 2016. However, more Detroiters still need to be employed. He noted that we need to think outside of the box, work with other entities such as community-based organizations as well as the philanthropic community. So far, we have had several successes, including: GDYT, United Way Linked Learning Initiative, White House/DOL Summer Opportunity Grant, W.K. Kellogg Foundation Grant, Food Assistance (SNAP 50/50) Training Pilots, the Prison Re-entry Program Pilot, the TechHire Training Program, Diploma Verification at Detroit Public Schools, as well as Detroiters in Jobs Initiative.

He also provided an overview of various industry training programs, including healthcare, tech, construction and skilled trades, which have been successful as well.

DESC FINANCE REPORT

Audit and Finance Report

Director Carroll provided an overview of the contracts and contract modifications presented to the Board for review/approval.

Contract Modifications

- Downriver Community Conference (DCC): 7/1/15 – 6/30/16, additional contract dollar amount of \$121,776.00.
- PATH (Resource Network): 10/1/15 – 9/30/16, additional contract dollar amount of \$45,000.00 to perform training for participants.

Director Barkley made a motion to approve both contract modifications, supported by Director Carroll. Motion Carried Unanimously.

PROCUREMENT APPROVAL RECOMMENDATION PLAN

Mr. Reyes provided an overview of a new procurement approval process model for the Board’s review and consideration. Using a flow chart presentation, he explained the re-configuration of the approval process and the new flow of funding recommendations, contract and fiscal-related documentation for Board review. Director Barkley made a motion to approve the new process, supported by Director Carroll. Motion Carried Unanimously.

CONTRACTS FOR REVIEW/APPROVAL

Program Contracts

-Grow Detroit’s Young Talent (GDYT) Contracts:

Ms. Stephanie Nixon, Director of Program and Service Innovation, DESC, provided an overview of the following GDYT-related contracts, documented on a detailed spreadsheet for Board member review:

- Midnight Golf, 5/1/16-10/31/16, \$46,200.00;
- Wayne State University, 5/1/16 – 10/31/16, \$46,200.00;
- Payne Pulliam, 5/1/16 – 10/31/16, \$46,200;
- Youth Development Commission, 5/1/16 - 10/31/16, \$46,200.00;
- Neighborhood Services Organization, 5/1/16 – 10/31/16, \$77,000.00;
- NXT LVL, Inc., 5/1/16 – 10/31/16, \$123,200.00;
- Franklin Wright Settlement, 5/1/16 – 10/31/16, \$154,000.00;
- Cody Rouge, 5/1/16 – 6/30/16, \$95,788.00;
- Focus Hope, 5/1/16 – 10/31/16, \$61,600.00;
- SER Metro, 4/1/16 – 10/31/16, \$900,000.00;
- Robinson, Shanks, Despart & Meehan, [GDYT program evaluator], 9/1/16 – 6/30/17, \$41,000.00.

-Downriver Community Conference (DCC): 7/1/16 – 6/30/17, \$980,050.00: Ms. Nixon provided an overview of this contract, where DCC will provide employment and trade services in the One-Stops. Mr. Reyes explained that the State of Michigan’s Workforce Development Agency (WDA) has requested verification from both DESC and SEMCA that DCC is in compliance with a requirement that its staff delivering Wagner Peyser and Trade Adjustment Act services are employed by an eligible unit of local government.

Mr. Reyes explained that documentation has been submitted to the WDA for further review and consideration. The group discussed that while this matter is pending before the state, the Board should make a motion that DCC’s new contract is pending verification of compliance with the requirement that DCC’s staff delivering Wagner Peyser and Trade Adjustment Act services are employed by an eligible unit of local government.

Director Carroll made a motion to approve program contracts, including the aforementioned contingency motion regarding DCC’s contract (pending verification of compliance with merit-staffing requirements), supported by Director Donofrio. Motion Carried Unanimously.

-Detroit Public Schools (DPS): 7/1/16 – 6/30/17, \$250,000.00: DPS will provide ABE/GED services in One-Stop for WIOA and Demonstration Grant customers.

IT Contracts

Director Carroll recused himself from the discussion and vote on the IT contracts and left the room during this agenda item.

DESC Board Meeting
August 25, 2016

Mr. Reyes provided an overview of the following IT-related contracts for the Board's review/consideration:

- Comcast Business, 7/8/16 – 7/8/19 (approval for 3-year term), in the amount of \$118,426.32.
- Rocket Fiber, LLC, 7/8/16 – 7/8/19 (approval for 3-year term), in the amount of \$210,744.00.

Director Barkley made a motion to approve the IT contracts, supported by Director O'Connell. Motion Carried Unanimously.

Director Carroll subsequently entered the room.

PUBLIC COMMENT

No public comment was presented before the Board.

ADJOURNMENT

With no further business to come before the DESC Board, Director Preuss made a motion to adjourn the meeting at 3:25 p.m. Motion Carried Unanimously.