

DRAFT MINUTES
Detroit Workforce Development Board
Friday, March 14, 2014

Time: 8:00 a.m. – 10:00 a.m.
Location: Michigan State University - Detroit Center, 3408 Woodward Ave., Classroom 230B
Facilitating: David Baker Lewis, Chair

Directors Present: David Baker Lewis, Cal Sharp, Alice Thompson, Lena Barkley, Karl Gregory, Yvette Harris, Malinda Jensen, Veronica Madrigal, Gwen McNeal, Larry Steward, George Swan, Robert Troutman, Dwayne Haywood
Directors Absent: Byron Carter, Ronald Hall, Shawn Crump, Jerry Kaminski, Jannette Howard, Al Nelson
Staff Present: Pamela Moore, Robert Shimkoski, Kristin Bailey, L'Tanya Clegg, Becky Eloby-Edwards, Robin Johnston, Stephanie Nixon, Alessia Baker-Giles, Joyce Barnes, Victoria Anderson, Lakeisha Burnett, Lynn Bell
Guests: Jon Iannucci Waller, Richard Acosta, Janet Howard, Larry Good, Anne Menefee, Tina Rogers, Andrea Tolle, J. Jackson, Willie Walker, Nellie Kendrick, Alfred Taylor, Jr., Betty Pulliam, Maria Salina, Terri Mial, Lynn Burdell, Janice Brown

PROCEEDINGS

The meeting of the Detroit Workforce Development Board (DWDB) was called to order at 8:15 a.m. by Mr. David Baker Lewis, Chair. Chair Lewis welcomed all to the meeting. A motion was made by Director Karl Gregory to approve the Draft Agenda of Friday, March 14, 2014 and the Draft Minutes of November, 15, 2013. Motion Passed Unanimously. Mr. Robert Shimkoski, Director of Planning at DESC, stated that staff is asking for approval of a revision to the minutes of June 28, 2012, explaining that the minutes should include a motion that was made during that meeting that the DWDB has selected Detroit Employment Solutions Corporation (DESC) as its designated One-Stop operator. In addition, Director Gregory asked that the June 28, 2012 minutes be revised to show him as excused. A motion was made by Director Gregory to approve the revised minutes of June 28, 2012, supported by Director Yvette Harris. Motion Carried Unanimously.

PRESENTATION: ECONOMIC DEVELOPMENT AND JOBS

Chair Lewis shared that the DWDB is pleased to have Mr. Tom Lewand at the meeting. He stated that Mr. Lewand is a valued member of the Detroit community, the State of Michigan, and has served in a number of distinguished capacities, most recently as Group Executive for Economic Development for Mayor Duggan, City of Detroit. Chair Lewis asked Ms. Pamela Moore, President/CEO at DESC, to introduce Mr. Lewand. Ms. Moore shared that Mr. Lewand reports to Mayor Mike Duggan and is in charge of the economic development clusters. Those clusters include DESC, the Detroit Economic Growth Corporation, Detroit Future City and the City of Detroit's Planning and Development Department. Ms. Moore stated that this is a great group to be a part of. She also noted that Mr. Lewand is a supporter of the work that DESC does and was invited to speak today to share the administration's vision of where the city is headed.

Mr. Lewand thanked Ms. Moore for inviting him to the meeting. He shared that the Duggan administration has placed strong emphasis on the development of the city's workforce. He noted that the Detroit Future City study explained that in order to keep pace with other cities in the country, Detroit needs 54 jobs per 100 residents. Currently, Detroit has 27 jobs per 100 residents. Mr. Lewand stated that Mayor Duggan has done a tremendous job so far and is very committed and results-oriented.

Mr. Lewand shared a statistic in the Detroit Future City Report that there are 37,000 African American entrepreneurs in Detroit, all successful and employing an average of 1-2 people. The national average is employing 8-10 individuals for small businesses. This administration could focus on that group of successful individuals and generate many new jobs for the city. Goldman Sachs is among the many companies that the administration is speaking with at the moment. Goldman

Sachs has a new jobs program and plans to focus on Detroit as it ramps up efforts. The administration is also meeting with J.P. Morgan Chase, who has committed to put between \$50 - \$100MM into Detroit within the next four years.

Mr. Lewand also stated that the city's administration is considering a program which will bring jobs back from Mexico, and shared that it met with key individuals yesterday from the UAW, the Big Three and one of the major suppliers. They worked out a rough framework that could produce a huge number of jobs in this city with the right combination of support from a variety of services. Mr. Lewand stated that the Mayor has spoken to President Barack Obama about this program. The President told Mayor Duggan that he would host a meeting at the White House if the Mayor needed assistance trying to get everyone together on this initiative.

Mr. Lewand shared that the administration is excited about everything taking place and while they are building a great team to make things happen, he does not have to worry about DESC because Ms. Moore has a great team. He also shared that everyone should know that DESC is the main workforce development agency for the City of Detroit. Mr. Lewand thanked Ms. Moore and the DWDB for their leadership, dedication and hard work. Director George Swan commended Mr. Lewand for stating that this agency is the City of Detroit's workforce agency, particularly since the agency has always sought this recognition. Mr. Lewand stated that the recognition is well-deserved and long overdue. Ms. Moore shared that Mr. Lewand has truly embraced DESC and workforce development and she is grateful for the support.

DETROIT EMPLOYMENT SOLUTIONS CORPORATION PRESIDENT/CEO REPORT

Ms. Moore provided the following updates:

Operating Budget – DESC has spent about 53% of its program year budget, which is a little low (below projections). It should be at about 66% at this time since this budget ends in June. Due to unforeseen moving costs, administration costs have exceeded projections where program expenditures are underspent.

Insurance – DESC's ability to acquire fraud and cyber insurance is currently delayed by the non-filing of the Form 990. Ms. Moore explained that DESC does have fraud insurance but wanted to increase the amount of coverage. This form has been completed by Abraham and Gaffney will be filed once Board approval is received.

Strategic Planning – Ms. Moore explained that she attends a meeting every Wednesday morning with the Duggan Administration, explaining that all city department heads attend and metrics are reviewed. Ms. Moore stated that Mayor Duggan is focused on making major changes by June 30, 2014. In addition, the DESC Board's Strategic Planning Committee has discussed having a strategic planning session in spring 2014 for the full Board and would prefer that the new Board appointments occur before the session takes place.

Hire Detroit Job Fair – DESC partnered with the City of Detroit's Human Resources Department and held a job fair February 28th - March 1st at COBO Hall. Three-thousand people attended the fair and many applied online. This was a highly-organized, successful event.

501(c)(3) – DESC has received an IRS reinstatement letter designating the agency as a private foundation. The agency is seeking re-classification with "public charity" status and is working with Butzel Long as well as Abraham and Gaffney in order to resolve this issue. It will also seek assistance from Congressman Levin's office.

Resource Development – A \$2M Youth Career Connect grant application was submitted to the United States Department of Labor (USDOL) on January 27th after a site visit to the outstanding linked-learning Kearney School in San Diego. United Way served as the lead applicant, with other partners including Excellent Schools Detroit, Linked Learning Detroit, WSU, WC3D, University of Michigan-Dearborn and Henry Ford Community College. The application focuses on project-based learning in Detroit's linked learning high schools with career and technical education pathways, real-time occupation demand data, work readiness, dual enrollment and internship opportunities. In partnership with DESC, the city's Building Safety, Engineering and Environment Department (BSEED) submitted a \$200,000.00 application to the U.S. Environmental Protection Agency (EPA) to request funds for asbestos remediation training. If funded, DESC's

One-Stop centers would organize the training for sixty low-income Detroiters who would be employed by city-funded asbestos remediation and demolition contractors.

Performance –The current placement goal is 9,500 (5,046 to date – expected to meet 6/30/14 goal). The current training goal is 3,371 (853 to date – expected to meet 6/30/14 goal). DESC did fail one measure, which was the Dislocated Worker Average Wage measure. This measure refers to those that have exited from DESC programs each quarter. Their wages must be greater than \$31,000.00. DESC has had a difficult time meeting this measure because those higher wages are no longer available. Staff has plans to petition the State and explain why this measure should be lowered and hopes the State will agree with its assessment. This measure has gone up 44% since 2008 although wages in Detroit have decreased.

PATH Program – Previously the JET Program, the Welfare-to-Work program has a 50% work participation rate requirement. PATH now has a 21-day period where people must be assessed and approved to go into the program and now a 48-month rule (so if an individual receives public assistance for 48 months, they drop out of the program). If an individual cannot make it through the 21-day assessment program, they do not get into the program. Due to these changes, DESC's work participation rate has gone up because it does not have the people that are ready to go into the program, which means fewer people are getting these services and being put on a career path.

One-Stop Equipment for Disabled Customers – In response to the Disability Advisory Council's request, new equipment for persons with disabilities has been installed in the One-Stop service centers. The new equipment includes the most updated assistive technology, new Braille transcription devices, software to accommodate both visually and hearing-impaired customers, brand new computer systems with Topaz displays, and closed-circuit camera systems.

Detroit Registered Apprenticeship Program (D-RAP) – D-RAP continues to draw national and local interest. DESC is one of three agencies invited by the White House to share best practices via teleconference. Additionally, Ms. Janet Howard (Deputy Director, State of Michigan's Workforce Development Agency) and Ms. Moore have been invited to the National Association of Workforce Boards meeting in March to present on the D-RAP model and its successes. There are a total of thirty-nine apprentices with projected demand expected to soar due to 2014 construction and demolition projects slated to ramp up. An additional sixty-eighty apprentices are projected for March 2014.

Education and Youth Advisory Council – The city's youth are not riding the buses to and from school due to problems with violence. More after-school programs are needed in order to keep our youth safe. Opportunity Youth was discussed extensively at the meeting. This program is funded through the Aspen Institute directed towards youth that are not in school and not working. Mr. Larry Good, Consultant from Corporation for a Skilled Workforce, has worked closely with DESC and partners with the development of this program.

Grand Circus Detroit – A Dan Gilbert IT training project began a cohort of fifty Osborn students who will receive sixty hours of training in computer application coding along with paid work experience.

Quicken Loans Summer Interns – DESC is working to select 100 DESC year-round program youth to apply for Quicken Loan's summer employment program. This is a once-in-a-lifetime opportunity for some of our youth to experience being inside one of Fortune Magazine's "Best Places to Work." Ms. Moore thanked DESC Board Member David Carroll for this opportunity.

City of Detroit's General Services Department Partnership – DESC is working to employ forty-three older youth in outdoor summer jobs making \$9.25/hour. They will earn credentials in pesticide application and obtain a hi-lo operator's license.

Board Appointments – Director John Harris from Ford Motor Company has resigned from the DWDB. He has been promoted to Vice President of Legal Affairs/Ford of Europe in Cologne, Germany. DESC thanks Mr. Harris for his service and wishes him all the best.

National Recognition – The DWDB and DESC are receiving an unprecedented amount of attention due to the heightened interest in Detroit, jobs and the economy. At a Focus Hope roundtable discussion and at the U.S. Conference of Mayor's meeting in January 2014, Labor Secretary Tom Perez highlighted DESC's work with Detroit Manufacturing Systems. USDOL Employment and Training Assistant Secretary Eric Seleznow told DESC's story in front of the Workforce Development Council. The agency was also mentioned by Mayor Frank Ortis of Pembroke Pine, Florida in the Mayor's Jobs, Education, and the Workforce Standing Committee.

Major Projects – Some major projects at the moment include the Blight Authority (100,000 parcels, including residential and commercial demolition, deconstruction/reconstruction, and rehabilitation); Olympia Development (construction of the new hockey stadium, residential, retail, commercial development); M1 Rail (Woodward's 3.3 mile light rail system); and City of Detroit's Human Rights Department – Review and Evaluation of Workforce Ordinances and Compliance Monitoring Tools – Executive Order 2007-1, HUD Section 3.

Communications – DESC has been gaining more attention in the media for the good work it is doing in Detroit. Mr. Robin Johnston, Communications Manager at DESC, has done a great job.

Hire Detroit – Hire Detroit is off and running. Ms. Moore thanks DTE for being the first organization to supply data.

The Governor's Economic Summit is taking place on Sunday and Ms. Moore will be attending the event. The Governor has mapped out regions across the State. DESC is in Region 10, which includes Wayne, Oakland and Macomb counties. Ms. Moore will make a presentation on behalf of Region 10. On Monday, Ms. Moore will present the Career Awareness Incubator, which talks about the focus now on youth and what that pipeline would look like with the career pathways that are available immediately after high school. Ms. Moore also noted that she, along with Director Alice Thompson, were among those honored as recipients of the 2014 Michigan Chronicle's Women of Excellence Award.

Ms. Moore thanked DWDB members for their support and all that they do and allowed time for questions. Chair Lewis asked about the status of M1 Rail, and Ms. Moore explained that demolition is about to take place. In addition, Chair Lewis shared that he receives a daily email from the Department of Labor and received an invite to participate with workforce development chairmen across the country in a teleconference with Secretary Perez last week. Chair Lewis shared Secretary Perez's recognition of DESC's connection with Detroit Manufacturing Systems during the call.

ONE-STOP REPORT

Mr. Richard Acosta, Director of One-Stop Centers, Grant Associates, gathered more data for this meeting about DESC's customer base. DESC had over 46,000 unique customers during the 2013 - 2014 period of fall to winter with a quarter of a million unique services provided. Nearly 4,000 placements within that calendar year. The average placement wage is \$9.98/hour, which is reflective of the wages that are available. A large number of positions are over the \$10.00 range. One-hundred and ninety-two individuals received training, and 147 individuals were placed.

Special Populations – Service delivery strategy is always a top priority when it comes to special populations. Also, DESC is starting a pilot program focused on servicing returning citizens.

Assessments – Test score data matches the data from last year: 75% of participants operate at the 8th grade level in math, even though 50% have high school diplomas or GEDs. Participants' reading levels on average were higher than math levels.

Placements – Last year, the agency's fiscal year ended with close to 2,300 WIA Adult placements. It is currently at 3,616 placements and is on target to meet the 6,000 placement requirement. More employers have expressed an interest in partnering with DESC because they are now aware of the agency and its work.

Mr. Acosta explained that transportation is a huge issue for those seeking employment (especially returning citizens). The agency must continue striving to locate employment opportunities for its customers in close proximity to where they live or try to ensure that there are viable bus lines to enable their transport to and from employment.

D-RAP – The Detroit Registered Apprenticeship Program (D-RAP) is constantly expanding. One of the most recent projects in the program was culinary arts training. The program is also expanding truck-driver training, health care, IT occupations, automotive repair, inspectors, sorters and weighers, as well as software application developers (one of the higher-paid apprenticeable occupations).

Mr. Acosta asked if Board members had any questions. Director Thompson asked that Board members be made aware of policy issues that the One-Stop service centers experience regarding barriers to access. In addition, DESC Board Member

Kenyetta Bridges asked about the possibility of collecting data from other partners on persons seeking employment. Mr. Acosta shared that conversation on that topic has begun. One issue is that partners utilize different data systems and they collect different types of information. All agreed this information would be very helpful. Mr. Shimkoski shared that the collection of this type of data has begun although it is not up and running yet.

Director Gregory requested that Board members receive a map containing all One-Stop locations in the city.

REVIEW/ADOPTION: DWDB REVISED BY-LAWS

Chair Lewis provided a brief overview of the DWDB By-Law revision process and steps taken to get to this point. He explained that although the agenda states the By-Laws will be approved today, the approval will instead take place at the June Board meeting in order to allow the Board additional time to review the revisions. Chair Lewis shared that today's materials include a memo regarding the changes that were made to the By-Laws.

Chair Lewis asked Attorney Kelly Cumberworth from Allen Brothers to provide additional information regarding the By-Law revision process and what took place. Ms. Cumberworth explained that she met with the DWDB Executive Committee on a number of occasions and reviewed the By-Laws in detail, article by article. She also noted that the Executive Committee focused on streamlining the document and updating it so that current laws, policies and practices were incorporated into the document.

Chair Lewis suggested making a preliminary motion to approve the DWDB By-Laws, allowing additional time to review them prior to the June meeting. During the next meeting, the Board can discuss any questions or comments they might have. A motion was made by Director Swan to preliminarily approve the DWDB By-Laws with the understanding that full approval would be given at the meeting in June, supported by Director Gwen McNeal. Motion Carried Unanimously.

It was agreed that Board members should send any questions or revision recommendations to Ms. Moore and her staff. Any questions or revision recommendations will be presented at the June Board meeting. In addition, Chair Lewis explained that the next item on the agenda, Approval of the Mission/Vision Statement, will be revisited at the June Board meeting. He requested that the Mission and Vision statement from the November 2012 Strategic Planning Session be circulated prior to the June meeting for review.

DISCUSSION: DWDB APPOINTMENTS/REAPPOINTMENTS

Chair Lewis noted that there are vacancies on the DWDB. He stated that Board members should feel free to recommend names of individuals who they believe should be considered for Board appointment. Chair Lewis also shared his hope that the Board will have a list of new appointments by the June 2014 DWDB meeting.

DISCUSSION: BOARD/DESC EVALUATION

Mr. Larry Good, Consultant from Corporation for a Skilled Workforce, referred Board members to a Board/Agency evaluation that was included in the meeting materials, explaining that this document includes suggestions from Director Swan made during previous Strategic Planning Committee meetings. Mr. Good shared that it would be a good idea for the evaluation to be completed prior to the next Strategic Planning Session. This document was developed to allow the Board to assess itself and assess whether the agency is headed in the right direction and fulfilling its mission and vision. The evaluation is divided into three parts and will be completed as an online survey. A motion was made by Director Gregory to approve the evaluation instrument pending any changes or corrections recommended by the DWDB membership, supported by Director Thompson. Motion Carried Unanimously.

DESC BOARD APPROVALS

An Executive Summary is included in the board packets detailing each of the contracts listed below which were approved by the DESC Board: (1) Detroit Public School Leases (Ashbury Park and Lappin Street); (2) Metro EZ Ride Contract; (3)

Demand-Driven Training Contract; (4) PATH Contracts; (5) Youth Development Commission Budget Modification; (6) Grant Associates Budget Modification. A motion was made by Director Steward to accept the contracts listed as presented, supported by Director McNeal. Motion Carried Unanimously.

PUBLIC COMMENT

Chair Lewis asked if there were members of the public that would like to address the Board. No questions were presented to the Board.

GOOD AND WELFARE

Ms. Moore thanked the service providers present today, since they are a part of the team and the work could not be done without their dedication and hard work. Brief discussion ensued pertaining to budget reductions and the need to secure private funding. Ms. Janet Howard commented on the reduction in the budget for clarification of new Board members, explaining that the reduction is specifically due to federal formula funding.

ADJOURNMENT

With no further business to come before the Detroit Workforce Development Board, the meeting was adjourned at 10:55 a.m.

Prepared by L'Tanya Clegg