

DRAFT MINUTES

Detroit Workforce Development Board

Friday, September 12, 2014

Time: 8:30 a.m. – 10:30 a.m.
Location: MSU Detroit Center, 3408 Woodward, Detroit, MI
Facilitating: David Baker Lewis, Chairman

Directors Present: David Baker Lewis, Malinda Jensen, Dr. Veronica Madrigal, Gwen McNeal, Larry Steward, Dr. George Swan, Robert Troutman, Dwayne Haywood, Al Nelson, Lena Barkley, Dr. Karl Gregory, Jean Meyer, Mark Gaffney, Kevin Smith, Shawn Blanchard, Toney Stewart, Andrew Gutman

Directors Absent: Alice Thompson, Jannette Howard, Quantez Pressley, Michael Aaron, Yvette Harris, Chris Uhl, Cal Sharp

DESC Board Present: Art Dudley

Staff Present: Pamela Moore, Jose Reyes, Jocelynn Carr, Kristin Bailey, L'Tanya Clegg, Robin Johnston, Stephanie Nixon, Alessia Baker-Giles, Rose Wilson, Lynn Bell, Heather Menna, Gabriella Pagan

Guests: Christine Quinn, Jon Iannucci Waller, Richard Acosta, Danita Love-Carter, Alfred Taylor, Betty Pulliam, Verna Brocks, Anne Menefee, Shawna Forbes, Kerstin Kaemarek, Sister Janice Brown, Tim Dantenschlger, M. Davis, Strader Taylor, Tom Diehl, Mellannie Donegny, Julio Jamal, E. Hadous, Venus Heard

Proceedings

The meeting of the Detroit Workforce Development Board (DWDB) was called to order at 8:45 a.m. by Mr. David Baker Lewis, Chairman. A motion was made by Director George Swan to approve the agenda of Friday, September 12, 2014 and Draft Minutes of Friday, June 13, 2014 supported by Director Al Nelson. Motion Carried Unanimously.

State Update: Workforce Innovation and Opportunity Act Preparation

Ms. Pamela Moore, President/CEO at DESC, introduced Ms. Christine Quinn, Director of the State of Michigan Workforce Development Agency. Ms. Moore noted that the Workforce Investment and Opportunity Act (WIOA) will impact the delivery of workforce services as of July 1, 2015 and explained that Ms. Quinn was invited to offer highlights on some of the changes. Ms. Quinn reviewed elements of WIOA that would not only affect the state, but would also affect local workforce boards and the work that is being performed now. She also noted that she has asked United States Department of Labor (USDOL) to consider Michigan as an early implementer when it comes to new legislation.

She explained that Governor Rick Snyder has identified ten regions within the state based on labor market information across prosperity regions. The state is striving to work across borders and in more of a regional context. The new legislation would also allow more flexibility of funds for the local agencies by allowing agencies to transfer funds according to demand needs.

Director Nelson asked whether DESC should be advised about anything in particular regarding the new legislation. Ms. Quinn responded that the most important thing is for DESC to continue doing what it has

already been doing. The agency should also keep an eye on the legislation's impact on the Board's structure going forward.

Direct Delivery of WIA Adult and Dislocated Services

Ms. Moore shared that funding is continually decreasing, creating a need to assess the agency's service delivery model and its related expenses. Consultants Tom Diehl and Strader Taylor provided an overview regarding potential changes at DESC if certain services were brought in-house. Mr. Diehl reviewed pros and cons of changing this service delivery system and noted that bringing these services in-house would save money as well.

Detroit Employment Solutions Corporation (DESC) CEO Report

Audit and Finance:

Audit and Finance Committee – Abraham and Gaffney are currently on site finalizing the annual audit. Cycle II responses to findings have been submitted to the State and we await a response. Cycle II focused on sub-recipient records and includes Allowable Cost, Cost Allocation, and Cost Classification, Financial Reporting Audit, Audit Resolution, and Debt Collection, Budget Systems and Internal Controls. Cycle III, which begins October 20th, includes Cash Management, Interest Income, and Program Income, Complaints and Grievances, Equipment Management, Service Provider and Worksite Monitoring, Procurement and Contract Administration. As federal funding reductions continue, DESC is performing a cost-benefits analysis on service delivery. CPA and Finance Consultant Tom Diehl is presenting his recommendations today. The DESC team will provide a formal recommendation on service delivery to the DESC Board at the next meeting.

Program Year 2013-14 Budget – DESC expended 87% of our approved FY 2014 budget through June 2014. We will be carrying over 13% into FY 2015. Significant savings were realized due to the move from 455 W. Fort and 707 W. Milwaukee. Additional ITA training will also be available due the carryover of unspent training dollars.

Program Year 2014-2015 Budget - Our approved operating budget for FY 2015 is \$42,110,187.

Insurance – Fraud and Cyber (i.e. embezzlement, illegal acts via computer) insurance have been procured, completing our list of required and recommended risk management and liability protection tools. Kristin Bailey is now responsible for compliance and risk management activities.

501c3 Status – On July 24, 2014, DESC was granted public charity status by the IRS. Private donations received since that time include \$800,000 from JPMorgan Chase (D-RAP and other demand-driven training) and \$50,000 from Illitch Charities (D-RAP).

Strategic Planning:

DESC Re-organization – On July 1st, DESC underwent an internal restructuring to better align functions across the organization. The changes reflect DESC's major responsibilities of securing funding resources, program implementation and service delivery, and quality assurance to include outcomes and evaluation. The changing environment has required continuous review of staffing capacity and continuous improvement of the quality of services customers are receiving.

Planning Activities – Resource development opportunities include a successful Jobs Driven National Emergency Grant that provides training for dislocated workers, participation in a National Manufacturing Renaissance Council which will create youth opportunities in advanced manufacturing, an upcoming Department of Labor RFP for registered apprentices, and a Supplemental Nutrition Assistance (SNAP)

program pilot project is being developed that will add training and increased service options to the SNAP program.

Strategic Planning Committee – The new appointments for the 2014 Workforce Development Board have been confirmed by Mayor Duggan. We are planning an October 27th strategic planning session to focus on DESC's 2015 goals and ways to best position DESC as a thought-leader and key strategist for workforce development. Objectives include creating a fund development strategy to attract unrestricted funds, developing a communications strategy, as well as strengthening service delivery to realize maximum value of resources. Also, reconstituting committee members and identifying committee priorities will be on the full-day agenda. Board members have received a self-assessment survey that will be used by both Boards to reflect on their performance and identify priorities for Board activities going forward.

Program Services:

Performance – DESC met all 4th quarter WIA measures. PATH work participation is now at 62% (50% required). Although DESC continues to meet federal measures, wages continue to be below livable wage standards and many customers are not being exited from the WIA system for this reason. Additionally, we believe that service delivery quality must be improved going forward (timely assessments, increased supportive services, improved case management, and integration of programs).

Detroit Registered Apprenticeship Program (DRAP) – D-RAP continues to increase the number of hires for apprenticeable occupations. 132 apprentices have been placed into employment to date with construction skilled trades representing 65% of placements. D-RAP continues to receive major support and attention from the White House, Department of Labor, JPMorgan Chase, Illitch Charities, National Association for Workforce Boards, National Association for Workforce Development Professionals, and just recently we have been invited to present to the Annie E. Casey and the Joyce Foundations.

Youth Program Innovations:

- DESC will oversee Detroit's Jobs for America's Graduates program. The state's latest affiliate will operate the program for 180 young people inside Osborn and Cody high schools in Detroit with a year-long career development curriculum for Juniors and Seniors who are at risk of dropping out of school. This nationally-recognized drop-out prevention initiative will coordinate resources, programs and safety net academic and social tools to remove barriers preventing high school graduation, and successfully transition students from school to career with advancement opportunities.
- The Aspen Institute Opportunity Youth Grant – the Detroit collaborative, led by DESC and Excellent Schools Detroit, successfully completed the first part of the planning phase and has received \$100K additional funding to continue planning, strengthen partnerships, roles and responsibilities, and begin implementation. This cross-sector collaboration focuses on opportunity youth defined as Americans ages 16-24, who are disconnected from public systems. Our target population includes youth with substantial barriers within targeted neighborhoods.
- Grand Circus Detroit, a Gilbert IT training agency, graduated 22 out of 26 Osborn students who received 60 hours of training in computer application coding, along with paid work experiences. DESC has committed to continue sponsoring Osborn students through graduation.
- City of Detroit's General Services Department Partnership – We supplied 60+ DESC older youth for outdoor summer jobs making \$9.25/hour, many of whom earned a hi-lo operator's license. Additionally, 20 older youth are being provided to landscaping contractors as apprentices through D-RAP.

Board Matters:

New Board Members – New Board Member biographies have been included in today's meeting binders.

Workforce Investment and Opportunity Act – President Barack Obama signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. Congress passed the Act by a wide bipartisan majority; it is the first legislative reform in 15 years of the public workforce system.

Major Projects:

- Blight Authority – DESC is partnering with the Detroit Building Authority working with City demolition contractors to find qualified workers for Mayor Duggan’s aggressive demolition goals. These mostly non-union jobs are great opportunities for Detroiters to get experience for skilled trades training and career opportunities.
- District Detroit – Olympia Development Management has named DESC as the agency responsible for coordinating recruitment and training activities for the project. Using our network of community-based partners and other key stakeholders, DESC is designing a recruitment outreach plan that will identify residents that are qualified to go into construction jobs for the first phase of the project. The Illitch family has an inclusion goal of a minimum of 51% Detroit residents on construction jobs and 30% Detroit-based and headquartered businesses.
- M1 Rail – DESC continues to work with M1-Rail’s administrative team and contractors to identify talent as well as participate on the Community Advisory Council.
- City of Detroit’s Human Rights Department – Pamela Moore was named to the Human Rights Commission. The department will be responsible for oversight and compliance of workforce ordinances.
- Hire Detroit – DESC continues its efforts to gather hiring data from businesses in metro Detroit. We have solicited assistance from the Downtown Detroit Partnership and the Detroit Regional Chamber. The response continues to be low due to (we believe) the fear of publicizing low numbers of Detroiters hired.
- Detroit’s Innovation District will be designed (in midtown) to facilitate new connections and ideas that will accelerate job growth, commercialize new technologies and enhance the quality of life for Detroit residents and businesses.

Ms. Stephanie Nixon, Director of Contracts Administration, provided a brief overview of the One-Stop Metrics report.

Director Gaffney inquired about the process for individuals who might be eligible for Trade Adjustment Assistance (TAA) benefits and asked whether DESC is able to assist people that qualify for these funds. Ms. Nixon explained that the company that is moving overseas qualifies. Director Karl Gregory asked what staff does about those persons that are eligible for training but are not enrolled. Ms. Nixon shared this is where staff engages in outreach efforts.

Update on the Strategic Planning Session

Director Swan shared that in November 2012, the DWDB and DESC Boards held its first joint strategic planning session and a lot of things that are happening now came out of that session. Director Swan provided a brief overview of both Boards, explaining that the DESC has direct oversight over the organization, and the DWDB oversees the work of the DESC Board as well as DWDB’s fiscal and administrative agent, DESC. Director Swan shared that the following contract renewals and modifications have already been reviewed and approved by the DESC Board and are presented to the DWDB for informational purposes.

Approved Contracts Update

Ms. Stephanie Nixon briefly reviewed the contracts that were approved by the DESC Board since the last DWDB meeting: SER Metro Detroit, \$440,000, WIA Year-Round Youth, second-year renewal; Midnight Golf Program, \$450,000, WIA Year-Round Youth, second-year renewal; YMCA, \$315,000, WIA Year-Round Youth, second-year renewal; Neighborhood Services Organization (NSO), \$440,000, WIA Year-Round Youth, second-year renewal; Youth Development Commission, \$1,831,515, WIA Year-Round Youth, MDNR and Foster Care, second-year renewal; Detroit Public Schools, \$450,000, WIA Adult/Dislocated Worker, second-year renewal; Downriver Community Conference, \$1,425,000, Trade Act Assistance/Employment Services, second-year renewal; Providence IES, \$222,729, Food Assistance Employment and Training, contract modification; Resource Network, Inc., \$373,795, Food Assistance Employment and Training, contract modification; and Corporation for a Skilled Workforce, \$75,000, Workforce Development Consultants, contract modification. After a discussion of the contract renewals and modifications, a motion was made by Director Swan, supported by Director McNeal, to approve the contracts. Motion Carried Unanimously.

Public Comment

No public comment was presented to the Board.

Good and Welfare

Director Kevin Smith expressed interest in connecting training opportunities since the Detroit Public Schools are facility-rich and are working closely with the Department of Human Services and Wayne County Community College District.

Adjournment

With no further business to come before the DWDB, the meeting was adjourned at 10:40 a.m.

Prepared by: L'Tanya Clegg