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TO: Conan Smith, Chair  
Ways & Means Committee

THROUGH: Robert E. Guenzel  
County Administrator

FROM: Trenda Rusher, Director  
ETCS

DATE: April 15, 2009

SUBJECT: American Recovery and Reinvestment Act of 2009 funding for  
Workforce Investment Act authorized activities

**BOARD ACTION REQUESTED:**

It is requested that the Washtenaw County Board of Commissioners ratify the signature of the Chair of the Board on the American Recovery and Reinvestment Act of 2009 funding for Workforce Investment Act authorized activities in the amount of \$3,638,720 for the period of February 17, 2009 through June 30, 2010; approving the budget; and authorizing the County Administrator to sign delegate and lease contracts.

**BACKGROUND:**

The American Recovery and Reinvestment Act of 2009 (ARRA or "Recovery Act") was signed by President Obama on February 17, 2009. It is intended to preserve and create jobs, promote the Nation's economic recovery, and to assist those most impacted by the recession. Allotments for training and employment services are specified in the Recovery Act for activities under the Workforce Investment Act of 1998 (WIA). The WIA provides the framework for a unique national workforce preparation and employment system designed to meet the needs of businesses, job seekers and those who want to further their careers.

ETCS is the administrator and operator of workforce development programs, including the delivery of WIA activities, in Washtenaw County. It is funded by the Workforce Investment Act (WIA), the United States Department of Labor (USDOL), and the Michigan Department of Energy, Labor and Economic Growth (MDELEG) to provide employment training and placement services. The Washtenaw County Workforce Development Board (WDB) and the Board of Commissioners (BOC) oversee, recommend and approve workforce development programs throughout Washtenaw County. ETCS is also referred to as the local Michigan Works! Agency (MWA) and the local One-Stop Career Center.

## **DISCUSSION:**

With the additional workforce funding provided in the Recovery Act, and the increased employment and training services this funding will support, the workforce system will play a vital role in America's economic recovery by assisting workers who are facing unprecedented challenges to retool their skills and re-establish themselves in viable career paths. This significant investment of stimulus funds presents an opportunity for the workforce system to implement innovative and effective One-Stop service delivery strategies. Designated activities are in the current WIA 5-year plan.

The Recovery Act is an extraordinary response to a national crisis that provides for a significant investment of stimulus funds. In utilizing Recovery Act funding, federal, state, and local levels of the workforce system will be guided by four principals:

1. **Transparency and accountability in the use of Recovery Act funding**

To achieve the goal of transparency and accountability, a new website has been developed [www.recovery.gov](http://www.recovery.gov). Through the website, the public can access how, when, and where tax dollars are being spent.

**Initial Michigan Works/ETCS/Workforce Board Strategy:**

In this area alone, ETCS may increase the size of staff (3-4 temporaries) to assure internal monitoring to comply with the new reporting requirements of ARRA, assure continuous process improvements throughout all elements of the programs including meeting and exceeding performance standards; ongoing evaluation of programming, and fiscal administration, web reporting, and communications with all publics, including state and local partners, congressional liaisons, and the Obama Administration as requested.

2. **Timely spending of the funds and implementation of activities**

States and local areas are expected to move quickly to use the Recovery Act funding, in conjunction with other available funds, to provide career assessments, remedial and occupational training and job search assistance to unemployed workers; help youth access the services they need to pursue education and employment; assist business in hiring qualified workers; and other activities that can aid in the recovery of local, regional, and state economies. Recovery Act funding may only be used for authorized WIA activities.

**Initial Michigan Works/ETCS/Workforce Board Strategy:**

ETCS recommends adherence to the federal policy that all local hiring freezes and procurement freezes, and similar restrictions and barriers be lifted and waived for an interim period so as not to prohibit the implementation of all programs "wisely and quickly".

3. **Increasing workforce system capacity and service levels**

To facilitate rapid expansion of workforce delivery capacity, we must be prepared to hire the workforce professional needed to administer programs and deliver services. In light of the Recovery Act funding, and the significant need for workforce services, ETCS is requesting the hiring of additional staff. The additional staff will be temporary given the temporary nature of the Recovery Act funding, will be funded through Recovery Act dollars, and will have no impact on Washtenaw County positions, personnel or procedures.

**Initial Michigan Works/ETCS/Workforce Board Strategy:**

ETCS plans to expand its programs to adequately cover the current program design proportionately and exponentially to the ARRA funded levels and in total compliance with all hiring, labor, wage, health, and safety rules and regulations, particularly for the summer youth program.

Space needs must also be addressed. It is the intention to set up an ARRA office at Zeeb road; The Harriet Street Office is over capacity and needs relief. Additionally, sufficient and less expensive space has been located at the current Key Bank building for easy and quick expansion which can accommodate technology needs, heavy customer traffic, and parking. ETCS staff will work with County support staff and collaborate to assure maximum efficiency and accountability of funds.

It is also the intent to explore the possibility of piloting a “green One Stop Center” in Ann Arbor, for the purposes of hiring and recruiting green talent. This fits within the spirit of ARRA, which specifically recommends that Workforce and Community Action Agencies work together blending weatherization programs and workforce development programs.

**4. Using data and workforce information to guide strategic planning and service delivery**

Workforce and economic information is the foundation of workforce development strategies. Local areas should identify those businesses and sectors of the economy that are still in need of workers and those that will begin to grow as the economy recovers.

**Initial Michigan Works/ETCS/Workforce Board Strategy:**

ETCS plans to work closely with SPARK, MEGA P, the Eastern Leaders Group, Community Development, the ARRA funded programs with its own Community Action Agency-sided part of the Department, and other local partners, to leverage as much programming and service delivery as possible.

The WIA specifies three funding streams to the States and local areas: (A) Adults, (B) Dislocated Workers, and (C) Youth. All eligible participants will have access to WIA Core, Intensive and Training Services. The major activity each participant will utilize

through the WIA ARRA program will be retraining. Due to the changing nature of our economy, it is critical that people train for new skill sets for in-demand jobs.

**(A) Adult Program:**

The Washtenaw County MWA/ETCS provides three levels of services under WIA: (1) core services; (2) intensive services; and (3) training services.

Priority use of WIA Adult formula funds under the Recovery Act must be for services to recipients of public assistance and other low-income individuals as described in WIA Section 134(d)(4)(E).

**Adult Program Eligibility:**

Eligible customers under the workforce investment system include all county residents and employers for core services, as the WIA system is a universal system. Eligibility requirements for intensive services and training services are strictly restricted to adults and dislocated workers who are unemployed or employed and in need of intensive services in order to obtain or retain employment that allows for self-sufficiency. Referral to training and the use of on-the-job training and customized training becomes very important for workforce development strategies in the Washtenaw County area to improve the skills gaps of current job seekers. The Washtenaw County ETCS plans to serve between 75 and 125 adults who are eligible for the WIA Adult ARRA program services.

(1) **Core Services:**

All residents and employers have access to WIA Core Services. These services are available to the general public at no charge, creating a universal access system. Some of the highlights of these local services include Face-to-Face Job Fairs, where employers interview applicants on site and a weekly seminar on Job Readiness and Retention topics. The Michigan Works! Agency (MWA) will coordinate targeted Job Fairs for specific industries, which include customized recruitment strategies.

Core services that are not primarily informational and must be staff assisted will require WIA registration. Intensive services and training services also require WIA registration. For all individuals registered in WIA, an Individual Employment Plan (IEP) shall be developed. The IEP is an ongoing strategy jointly developed by the participant and the case manager that identifies the participant's employment goals, the appropriate achievement objectives, and the appropriate combination of services for the participant to achieve the employment goals.

(2) **Intensive Services:**

- Comprehensive and specialized assessments of the skills levels and services needs of the adult or dislocated worker;
- Development of an individual employment plan to identify employment goals and achievement objectives;

- Group counseling;
- Individual counsel and career planning;
- Case management for participants seeking training services;
- Short-term pre-vocational services, including learning skills development, communication skills, interviewing skills, punctuality, professional conduct, and personal maintenance skills

(3) Training Services:

- Occupational skills training
- On-the-job training
- Programs combining workplace training with related instruction;
- Training programs operated by the private sector;
- Skill upgrading and retraining;
- Entrepreneurial training;
- Job readiness training;
- Adult education and literacy activities, provided in combination with services described above

The Washtenaw County MWA/ETCS has developed a supportive services policy that ensures resources and service coordination. Supportive services are provided to any eligible participant, based on need, to reduce barriers in the transition into employment. Supportive services include transportation, childcare, dependent care, temporary housing services and needs-related payments. These supportive services must be necessary to enable the individual to participate in WIA activities. WIA supportive services shall only be provided when the individual is unable to obtain the services through other programs or resources. WIA case manager will refer individuals to other resources when appropriate. The MWA administration, as the One-Stop designee, may grant exceptions to the supportive services policy on a case-by-case basis.

**(B) Dislocated Worker Program:**

Dislocated worker skills are often outmoded in the existing fast-changing labor market. Often, the dislocated worker's only experience is in low skill, high paying manufacturing jobs, which are becoming rapidly obsolete. Dislocated workers face several challenges in their effort to become marketable. Dislocated workers must first accept that returning to their former job is not an option; recognizing that without updated skills, they will not command the wages and fringe benefits of their former job; and make the decision to seek retraining to learn new job skills. These services include at a minimum, basic skills training, on-the-job training, job-search assistance, counseling and customized training. These services may improve the dislocated worker's prospects of returning to productive employment. Again, training becomes very important for workforce development strategies in the Washtenaw County area to improve the skills gaps of current job seekers.

**Dislocated Worker Program Eligibility:**

Eligible persons include customers displaced from employment as defined by the WIA.

The WIA Dislocated Worker Program shall depend on close coordination with the local Unemployment Agency offices and the Trade Adjustment Act of 2002 at both the planning and implementation level. Currently, MWA staff communicates on a regular basis with the local Unemployment Agency (UA) offices to discuss integration of the current available pool of resources accessible to the two agencies for dislocated workers and the unemployed in the area through the Michigan Works! System. Services include registration, employment counseling, vocational testing, job development, supportive services, classroom training, self-directed job search, job search allowances, and relocation allowances. Referral to training and the use of on-the-job training and customized training becomes very important for workforce development strategies in the Washtenaw County area to improve the skills gaps of current job seekers.

Rapid response assistance will continue to be provided on the site of dislocation, if possible within forty-eight (48) hours of receipt of information of an actual or eventual plant closing or mass layoff received by local officials, the Washtenaw County MWA, the local Unemployment Agency, or a labor organization. A Rapid Response Team (RRT), which includes the Washtenaw County MWA or its designee(s), will meet with the employer to assess the situation, provide initial information on available assistance, and initiate an appropriate intervention or response. The Washtenaw County ETCS plans to serve between 125 and 175 individuals through the WIA Dislocated Worker ARRA funds.

### **(C) Youth:**

It is the intent of both the Washtenaw County Workforce Development Board (WDB) and the local government to offer employers a labor force trained to meet employer needs and to establish a training system that is responsive to the demands of business and industry.

Primary services available to Youth Program participants at the Washtenaw County One-Stop Center include:

- Preparation for postsecondary educational opportunities;
- Educational opportunities;
- Strong linkages between academic and occupational learning;
- Preparation for unsubsidized employment opportunities;
- Effective linkages with intermediaries with strong employer connections;
- Alternative secondary school services;
- Summer employment opportunities;
- Paid and unpaid work experiences;
- Occupational skill training;
- Leadership development opportunities;
- Comprehensive guidance and counseling; and
- Supportive services

The Washtenaw County MWA/ETCS may also provide basic skills training, case management services, work-based learning instruction, skill upgrading and retraining,

entrepreneurial training, vocational exploration, GED preparation, customized training with employers who make commitments to employ, job search assistance, outreach services, specialized surveys, dissemination of information on program activities and development of job openings. These may be provided upon participant assessment. The Washtenaw County MWA/ETCS will also address self-esteem and motivation of youth to encourage school-to-work type programs. In addition and where appropriate, mentoring, job shadowing and youth leadership development within the private sector may be provided.

As States and local areas plan on how their local One-Stop systems will make immediate use of the Recovery Act funds, the Employment and Training Administration (ETA) strongly encourages that as much of these funds are used to operate expanded summer youth employment opportunities during the Summer of 2009. As such, up to 100% of the ARRA funds for youth may be spent on the Summer Youth Component of the ARRA. The Washtenaw County MWA/ETCS anticipates serving anywhere between 600 – 1,000 eligible youth participants through the Summer Youth component of the ARRA depending on federal and state guidelines.

***Summer Youth Employment Opportunities for Youth:***

In addition to emphasizing summer employment as a major component of the funding, the Recovery Act includes two other significant changes to youth activities under WIA.

1. The Recovery Act increases the age eligibility to a maximum of 24 years old.
2. The Recovery Act also states that the work readiness indicator will be the **only** indicator to assess the effectiveness of summer employment. For the purpose of the Recovery Act funds, the period of “summer” will be from May 1 through September 30.

***Youth Program Eligibility:***

Eligible customers under the workforce investment system include youth who are between 14 and 21 (for the Summer Youth Component, the Recovery Act increases the age eligibility to a maximum of 24) years of age, youth who are low-income, as defined in the WIA 101(25), and youth with significant barriers to employment within one of the following:

- Deficient in basic literacy skills
- School dropout
- Homeless, runaway, or foster child
- Pregnant or parenting
- Offender
- An individual who requires additional assistance to complete an educational program, or to secure and hold employment

**IMPACT ON HUMAN RESOURCES:**

There will be some impact on human resources as a result of the increased level of funding. ETCS anticipates the need to bring in several additional employees to help to administer the program.

**IMPACT ON BUDGET:**

The requested Board action approves the WIA ARRA budget in the amount of \$3,638,720.

This is an impact of \$3,594,455 on program funding and \$363,872 in funds related to administering the programs.

The budgets for the three (3) WIA programs are as follows:

Program dollars:

\$ 461,622	Adult
\$ 855,634	Dislocated Worker
<u>\$ 1,957,592</u>	Youth
\$ 3,594,455	TOTAL WIA PROGRAM

Administrative dollars are limited to 10% of the total budget:

\$ 51,291	Adult
\$ 95,071	Dislocated Worker
<u>\$ 217,510</u>	Youth
\$ 363,872	TOTAL WIA ADMIN

Total budgets (program + administrative):

\$ 512,913	Adult
\$ 950,705	Dislocated Worker
<u>\$ 2,175,102</u>	Youth
\$ 3,638,720	TOTAL WIA BUDGET

**IMPACT ON INDIRECT COSTS:**

None

**IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:**

None

**CONFORMITY TO COUNTY POLICIES:**

The requested Board action has been reviewed by the Washtenaw County Workforce Development Board (WDB), the County Administrator's Office, Corporation Counsel, the Office of Finance, and the Human Resources Department. The action is in conformity with County policies.

**ATTACHMENTS/APPENDICES:**

WIA ARRA Budget

A RESOLUTION RATIFYING THE CHAIR OF THE BOARD'S SIGNATURE ON THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDING FOR WORKFORCE INVESTMENT ACT AUTHORIZED ACTIVITIES IN THE AMOUNT OF \$3,638,720 FOR THE PERIOD OF FEBRUARY 17, 2009 THROUGH JUNE 30, 2010; AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN NOTICE OF GRANT AWARDS; AMENDING THE BUDGET AND AUTHORIZING THE ADMINISTRATOR TO SIGN DELEGATE AND LEASE CONTRACTS.

WASHTENAW COUNTY BOARD OF COMMISSIONERS

April 15, 2009

WHEREAS, the American Recovery and Reinvestment Act of 2009 (ARRA or "Recovery Act") was signed by President Obama on February 17, 2009. It is intended to preserve and create jobs, promote the Nation's economic recovery, and to assist those most impacted by the recession; and

WHEREAS, allotments for training and employment services are specified in the Recovery Act for activities under the federal Workforce Investment Act of 1998 (WIA); and

WHEREAS, the WIA was implemented in 1998 to address workforce development and employment training to meet the needs of businesses, job seekers and those who want to further their careers; and

WHEREAS, ETCS is the administrator and operator of workforce development programs in Washtenaw County and is funded by the Workforce Investment Act (WIA), the United States Department of Labor (USDOL), and the Michigan Department of Energy, Labor and Economic Growth (MDELEG) to provide employment training and placement services; and

WHEREAS, the Washtenaw County Workforce Development Board (WDB) and the Board of Commissioners oversee, recommend and approve employment and training programs throughout Washtenaw County delivered by the ETCS, also referred to as the local Michigan Works! Agency (MWA) or One-Stop Career Center; and

WHEREAS, there are three (3) separate funding sources under the WIA: (a) the Adult Program; (b) the Dislocated Worker Program; and (c) the Youth Program; and

WHEREAS, eligible participants are Washtenaw County residents and employers for core services under the Adult Program, as the WIA system is a universal system; and

WHEREAS, eligible participants under the Dislocated Worker Program are individuals displaced from employment and unable to find employment and the major activity each dislocated worker will utilize through the program will be retraining focused on high-growth, high-demand occupations; and

WHEREAS, eligible participants under the Youth Program are low-income youth who are between 14 and 24 years of age and have significant barriers to employment; and

WHEREAS, ETCS recommends adherence to the federal policy that all local hiring freezes and procurement freezes, and similar restrictions and barriers be lifted and waived for an interim period so as not to prohibit the implementation of all programs “wisely and quickly”; and

WHEREAS, ETCS anticipates the need to bring in several additional temporary employees to help to administer the program; and

WHEREAS, space needs must be addressed and ETCS staff will work with County support staff and collaborate to assure maximum efficiency and accountability of funds in locating additional space to accommodate the expansion of services as a result of the ARRA funding; and

WHEREAS, this matter has been reviewed by the Washtenaw County Workforce Development Board (WDB), Corporation’s Counsel, the Finance Department, Human Resources, the County Administrator’s Office, and the Ways and Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby ratifies the signature of the Chair of the Board on the American Recovery and Reinvestment Act of 2009 funding for Workforce Investment Act authorized activities in the amount of \$3,638,720 for the period of February 17, 2009 through June 30, 2010, as on file with the County Clerk;

BE IT FURTHER RESOLVED that the Board of Commissioners hereby takes the following actions contingent upon receipt of the grant award in conformity with the application:

1. Authorizing the County Administrator to sign the Notice of Grant Award
2. Amending the budget as attached hereto and made a part hereof
3. Authorizing the County Administrator to sign delegate and lease contracts upon review and approval of Corporation Counsel, to be filed with the County Clerk.

Washtenaw County ETCS  
 ARRA  
 WIA Adult  
 Business Unit: 2320099199  
 02/17/09 to 06/30/10

		<b>Original</b>	<b>Revised</b>	<b>Variance</b>
<b>Revenues</b>				
50100	Federal Revenue	\$ -	\$ 461,622	\$ 461,622
 <b>Expenditures</b>				
800001	Other Services and Charges	<u>\$ -</u>	<u>\$ 461,622</u>	<u>\$ 461,622</u>

Washtenaw County ETCS  
ARRA  
WIA Dislocated Worker  
Business Unit: 2350099199  
02/17/09 to 06/30/10

		<b>Original</b>	<b>Revised</b>	<b>Variance</b>
<b>Revenues</b>				
50100	Federal Revenue	\$ -	\$ 855,634	\$ 855,634
<b>Expenditures</b>				
800001	Other Services and Charges	<u>\$ -</u>	<u>\$ 855,634</u>	<u>\$ 855,634</u>

Washtenaw County ETCS  
ARRA  
WIA Youth  
Business Unit: 2340099199  
02/17/09 to 06/30/10

		<b>Original</b>	<b>Revised</b>	<b>Variance</b>
<b>Revenues</b>				
50100	Federal Revenue	\$ -	\$ 1,957,592	\$ 1,957,592
<b>Expenditures</b>				
800001	Other Services and Charges	<u>\$ -</u>	<u>\$ 1,957,592</u>	<u>\$ 1,957,592</u>

Washtenaw County ETCS  
 Chart of Accounts / Budget  
 WIA Administration  
 Business Unit: 2310099199  
 02/17/09 – 06/30/10

	<u>[1]</u> <u>Original</u>	<u>[1]</u> <u>Revised</u>	<u>[1]</u> <u>Variance</u>
[1] Derived as follows:			
WIA adult	-	51,291	(51,291)
WIA dislocated worker	-	95,071	(95,071)
WIA youth		217,510	(217,510)
<b>Total</b>	<b>\$ -</b>	<b>\$ 363,872</b>	<b>\$ (363,872)</b>
<b>Revenues</b>			
50000 Federal Revenue	-	\$ 363,872	\$ (363,872)
<b>Expenditures</b>			
80001 Other Services & Charges	-	\$ 363,872	\$ (363,872)