



**Executive Leadership and Strategic Engagement Committee Meeting  
of the West Michigan Works! (WMW) Workforce Development Board (WDB)  
Westside Service Center ▪ 215 Straight Ave. N.W. ▪ Grand Rapids, MI 49504**

**Public Access:** <https://westmiworks-org.zoom.us/j/91552837564>

**You can also dial in using your phone: +1 (929) 436-2866**

**Meeting ID: 915 5283 7564 Passcode: 170475**

**Monday, May 9, 2022 ▪ Meeting 11:30 a.m. – 1:00 p.m.**

**AGENDA**

- |   |                         |
|---|-------------------------|
| 1. Call to Order and Attendance   |                         |
| 2. Public Comment – Agenda Items  |                         |
| 3. Approval of the March 14, 2022 Minutes                                       | <b>Action Required</b>  |
| 4. Report on Financial Activities<br><i>Jacob Maas, Chief Executive Officer</i> | <b>Information Item</b> |
| a. ACSET Financial Report- Notes to March 2022 Board Financials                 |                         |
| b. FYE 2022 Budget – First Modification   |                         |
| c. FYE 2023 Budget  |                         |
| 5. WMW WDB Membership<br><i>Jacob Maas</i>                                      | <b>Discussion Item</b>  |
| 6. Agenda for June WDB Meeting<br><i>Janette Monroe, Executive Assistant</i>    | <b>Discussion Item</b>  |
| 7. Strategic Plan Update<br><i>Janie McNabb, One-Stop Operator</i>              | <b>Discussion Item</b>  |
| 8. Wagner-Peyser (WP) Proposed Rule<br><i>Jacob Maas</i>                        | <b>Discussion Item</b>  |
| 9. WDB Committee/Council Updates  | <b>Information Item</b> |
| a. Career Educational Advisory Council (CEAC): <i>Angie Barksdale, COO</i>      | <b>Discussion Item</b>  |
| b. Legislative Committee: <i>Jim Fisher, Committee Chairperson</i>              |                         |
| c. Solutions Driven Committee: <i>Jordan Clark, Committee Chairperson</i>       |                         |
| 10. Other Business  |                         |
| 11. Public Comment  |                         |
| 12. Adjournment   |                         |

**Next Scheduled Executive Leadership and Strategic Engagement Committee Meeting:**

**September 19, 2022**

**Location: Westside Service Center**



**Executive Leadership and Strategic Engagement Committee Meeting  
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**Meeting ID: 956 1636 6596 Passcode: 173507**

**Monday, March 14, 2022 ▪ Meeting 11:30 a.m. – 1:00 p.m.**

## **MINUTES**

**Members/Alternates Present:** Heather Daniel (Vice-Chairperson), Jordan Clark, Jay Dunwell, Becky Herrington, Jim Fisher, Jon Hofman, Scott McLean

**Members/Alternates Absent:** Mark Bergsma (Chairperson), John Buchan, Shana Lewis

**Staff Present:** Jacob Maas, Angie Barksdale, Bob Perkins, Janette Monroe, Amy Lebednick, Tasha Evans, Jane Kreha, Melanie White

**Guests Present:** Janie McNabb (One-Stop Operator)

1. Call to Order, Vice-Chairperson Heather Daniel at 11:37 a.m.
2. Public Comment – Agenda Items – None.
3. Approval of the January 10, 2022 Minutes

**Action Required**

**Motion – Jim Fisher**

**Second – Jordan Clark**

**Item Approved – Motion approved**

4. Report on Financial Activities: Notes to January 2022 Board Financials **Information Item**  
Bob Perkins, Chief Financial Officer, reviewed ACSET's statement of revenue and expenditures for the seven months ending January 31, 2022. Staff answered board members' questions.
5. WMW WDB Resignation and Nomination **Action Required**  
Jacob Maas, Chief Executive Officer, reported that Cindy Brown recently left The Right Place, Inc. and has taken another employment opportunity, therefore Cindy is no longer a representative on the WDB. Jacob reported that staff received a recommendation and application from TaRita Johnson, who currently serves as the Senior Vice-President of Talent & Diversity with The Right Place, Inc. Staff requested approval for TaRita to fill this seat on the WDB. Staff will request formal appointment from the ACSET/West Michigan Works! Governing Board in April 2022.

**Motion – Jay Dunwell**

**Second – Jon Hofman**

**Item Approved – Motion approved**

Jacob also reported that current WDB member Norm Brady, President & CEO at the Associated Builders and Contractors, Inc. (ABC) will be retiring in the next few months. Staff will be seeking recommendations to fill his seat.

## 6. Board Membership and Attendance

**Discussion Item**

Janette Monroe, Executive Assistant, reviewed that there a couple of WDB members that have not attended meetings—in person or virtual—on a regular basis. Janette reported that staff will work with the WDB Chairperson and Vice-Chairperson to reach out to these members regarding their lack of participation and inquire about their willingness and ability to continue serving on the WDB.

## 7. WDB Meeting Agenda: April 18, 2022

**Discussion Item**

Janette Monroe requested additional agenda suggestions from the Committee, noting that the WDB members seemed to appreciate updates from the Construction Career Council (CCC) and Discover Manufacturing (DM) at the February WDB meeting. Committee members requested additional updates from five Industry Talent Councils (ITC), and an updated presentation on regional and state labor market trends, including any changes or shifts of women in the workforce since the onset of the COVID-19 pandemic. Staff agreed to see if a representative from the Michigan Bureau of Labor Market Information and Strategic Initiatives (LMSI), would be available to present labor market information at an upcoming WDB meeting.

## 8. Strategic Plan Update

**Discussion Item**

Janie McNabb, One-Stop Operator, reviewed since the WDB meeting took place on February 14, 2022, she reported that her next steps were to provide a report to the Executive Committee on how the organization has been impacted, shifted/changed, and continued to deliver programs and services over the changing environment the past two years, in sense of the tactics of the Strategic Plan. Janie requested that Executive Members review, discuss, and reflect on the information provided in the board packet. Janie presented on the following: COVID Impacts on Job Seekers and Employers, COVID Impacts on WMW Services, details of services provided as they relate to the four categorized (customer-focused, system-focused, capacity building-focused and accountability) strategies of the plan. Additional discussion took place.

## 9. WMW WDB Subcommittees Updates

a. Career Educational Advisory Council (CEAC)**Discussion Item**

Angie Barksdale, COO, reported that the CEAC last met on January 28, 2022. Angie reported that Career Technical Education (CTE) Directors in attendance provided updates on activities occurring in their programs, discussed required assessments, and engaged in a robust conversation on challenges related to staff shortages. Updates about Adult Ed programming, Access for All, service operations, and facilities changes occurring within WMW were also discussed at the meeting. Angie further reported that due to Cindy Brown's departure from the board, she no longer is the CEAC Chair. Angie reviewed the CEAC Chairperson roles and responsibilities, and discussion took place on seeking a replacement. Members encouraged Angie to reach out to potential candidates about serving in this role. Angie agreed and reminded the Committee that the new CEAC Chairperson must be appointed by the WDB Chair.

b. Legislative Committee:**Information Item**

Jim Fisher, WDB Member and Legislative Chairperson, reported that the committee met in January and the next meeting is in April. Jim deflected to Jacob Maas for updates on the Michigan Works! Association (MWA) Legislative Day. Jacob Maas reported that he and Angie met with state representatives and senators in back-to-back meetings on March 8-9, in Lansing. Jacob reported they met with approximately 17 legislators and provided information on MWA Legislative Priorities, funding, WMW services and programs, potential redistricting maps, and some upcoming legislator representation changes across the region. Lastly, Jacob reported that on March 11, 2022, he hosted Melissa Fish, West Michigan Regional Liaison from Governor Whitmer's Office, and gave her a tour of the Franklin Service Center.

c. Solutions Driven Committee:**Information Item**

Jordan Clark, WDB Member and Solutions Driven Committee Chairperson, reported that the committee convened and is in the process of scheduling its meetings for the year. Angie reported that Chad Patton has recently accepted the Director of Development and Innovation position and is coming to WMW from the West Michigan Literacy Center. Further, Jordan reported that the committee will further discuss and focus on the strategies of the strategic plan.

## 10. Other Business

**Discussion Item**

- a. Jacob Maas reported that staff members and the WDB Chairperson and Vice-Chairperson are attending the 2022 National Association of Workforce Boards (NAWB) Forum in Washington, D.C. on April 10-14<sup>th</sup>. Jacob stated that he was asked and will begin engagement in a cohort of Workforce Transformation Policy Council, with the first session taking place at NAWB. Jacob also reported that he and WDB Member, Dr. Bill Pink (GRCC) have been asked to present at the Forum on "Reimagining Partnerships to Meet Goals." Furthermore, Jacob reported that he was asked by The Grand Rapids Chamber to attend the Business Leaders United (BLU) event taking place in Washington, D.C. on April 5-6<sup>th</sup>.
- b. Angie Barksdale reported that WMW has been meeting with The City of Grand Rapids to discuss WMW's role with the GROW 1000 Program. As of Friday, March 11, 2022, WMW and City of Grand Rapids have reached an agreement in principle for WMW to provide the following services: (1) administration of the GROW 1000 program, (2) Career Coaching services for youth participants and (3) and support from the Business Solutions team. The program will launch soon.

11. Public Comment- None.

12. Adjournment at 1:14 p.m. by Vice-Chairperson Heather Daniel.

Recorded by: \_\_\_\_\_ Received by: \_\_\_\_\_

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**MEMORANDUM**

**TO:** Executive Leadership and Strategic Engagement Committee of the  
West Michigan Works! (WMW) Workforce Development Board (WDB)

**FROM:** Bob Perkins, Chief Financial Officer

**DATE:** May 2, 2022

**RE:** March 2022 Board Financials

**Revenue**

Revenues for the nine months ending March 31, 2022 totaled \$24.1 million which is \$7.4 million greater than the prior year. The main difference was \$5.8 million related to the Going Pro Talent Fund, timing in revenue recognition from PATH of \$2.1 million, timing of WIOA of \$897K, and new funding from Bres of 217K and Clean Slate of \$173K.

The following funds had decreases year to date compared to the prior year. American Promise had funding in the prior year of \$317K, Unemployment Insurance funding in the prior year of \$744K, Community Venture decrease in revenue of \$491K, decrease in Economic Transition of \$116K and less revenue recognized for Trade of \$106K.

**Expenditures**

Overall operating expenses are below the proposed budget by 1.57%.

- Fringe Benefits are up \$252K from the prior year due health insurance costs that make up \$244K of this difference.
- Consumables are \$216K more than the prior year. This increase is due to office furniture purchased for the Ottawa and Ionia service centers - \$217.5K.
- Outside Services are up by \$303K compared to prior year. The following items make up the majority of the difference:
  - \$200K related to the build out of the Ionia service center.
  - Work Ready Assessment Web Applications Project with a cost of \$80K.
  - \$36K Career Coach Curriculum – GRCC
- Equipment Purchases are up by \$60K compared to prior year. Below are the main items that contributed to the increase.
  - \$10.9K Ricoh Copier for Ottawa Service Center – Applied Imaging
  - \$10.9K Ricoh Copier for Ionia Service Center – Applied Imaging
  - \$22.2K Chevy Malibu car purchase for PATH
  - The remainder is in replacement computers

Subcontractors is up over the prior year by \$214K. The increase is due to Future of Work (new fund) grant of \$81k, Clean Slate Pilot (new fund) of \$64K, Michigan Learning & Education fund (new fund) of \$54K with the remainder from the WIOA youth.

Training expenses are \$6.06 million more than the previous year. Going Pro Talent Fund (GPTF) increase of \$5.8 million and \$244K in WIOA training (adult).

Direct Client Expenses are \$79K higher than the previous year. There was more spent in PATH during this period of \$212K, Bres (new fund) spent \$65K. The spending in Young Professionals decreased by \$32K and Community Ventures fund expending less in housing, auto purchases, and public transportation in the amount of \$172K.

**Area Community Services Employment and Training Council**  
**Michigan Works Agency Programs**  
**Statement of Revenue & Expenses**  
**For the Nine Months Ending March 31, 2022**

	YTD Thru March 2022 Actual	YTD Thru March 2021 Actual	YTD 2021/2022 Budget	Budget Variance	Budget Variance %
<b>Total Revenue</b>	<u>\$ 24,111,645</u>	<u>\$ 16,709,921</u>	<u>\$ 24,432,716</u>	<u>\$ (321,071)</u>	<u>-1.31%</u>
<b>Expenses</b>					
<b>Operating Expenses</b>					
Wages	\$ 8,001,083	\$ 7,693,835	8,066,260	\$ 65,177	0.81%
Fringe Benefits	2,861,045	2,609,413	2,923,754	62,709	2.14%
Consumable supplies	854,754	639,133	858,456	3,702	0.43%
Transportation	47,384	43,288	63,825	16,441	25.76%
Outside services	971,216	668,051	985,350	14,134	1.43%
Space and communications	1,319,375	1,383,368	1,342,506	23,131	1.72%
Equipment rent and maint	48,257	31,199	51,750	3,493	6.75%
Equipment purchases	172,025	111,934	203,275	31,250	15.37%
Other expense	436,077	485,923	451,378	15,301	3.39%
<b>Total operating expense</b>	<u>14,711,216</u>	<u>13,666,144</u>	<u>14,946,554</u>	<u>235,338</u>	<u>1.57%</u>
<b>Subcontractors</b>	\$ 639,759	\$ 425,813	\$ 649,950	\$ 10,191	1.57%
<b>Training</b>	\$ 7,909,594	\$ 1,846,195	\$ 7,967,896	\$ 58,302	0.73%
<b>Direct Client Expenses</b>	<u>\$ 851,076</u>	<u>\$ 771,769</u>	<u>\$ 868,316</u>	<u>\$ 17,240</u>	<u>1.99%</u>
	<u>\$ 9,400,429</u>	<u>\$ 3,043,777</u>	<u>\$ 9,486,162</u>	<u>\$ 85,733</u>	<u>0.90%</u>
<b>Total Expenses</b>	<u>24,111,645</u>	<u>16,709,921</u>	<u>24,432,716</u>	<u>321,071</u>	<u>1.31%</u>
<b>Excess of Revenue over Expense</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>

Unaudited

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**MEMORANDUM**

**TO:** Executive Leadership and Strategic Engagement Committee of the  
West Michigan Works! (WMW) Workforce Development Board (WDB)

**FROM:** Bob Perkins, Chief Financial Officer

**DATE:** May 2, 2022

**RE:** FYE 2022 Budget – First Modification

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The budget modification for the fiscal year ending June 30, 2022 was presented and approved on April 25, 2022 by the ACSET/West Michigan Works! Governing Board.

**Approved Modification**

The 2021-2022 budget modification increases grant income by \$1,383,000. WIOA Grant increase/timing of revenue \$1.8M, \$1.6M from increase or new funding from some of the following grants: MI LEAP, SAE, Learn & Earn Pilots, Bres, Healthy Michigan, DeVos Talent Career, plus various smaller grants.

A reduction in Going Pro Talent Fund (GPTF) estimated revenue of \$2 million.

**Expenditures**

An additional \$135K was requested for Wages. This increase is a result from the one-time wage across the board increase from last year. An increase of Fringe is needed mainly due to the increase in health insurance costs and the increase in wage.

Consumables is estimated to increase by \$140K to cover the increased costs related to the Ionia and Ottawa service centers furniture purchases.

Transportation was originally budgeted based on pre COVID activity. We reduced this line item since we didn't achieve the levels anticipated.

Outside Services is anticipated to increase based on planned expenditures for MILEAP program as well as the build out of the Ionia service center, the Work Ready Assessment Web Application, and the Career Coach Curriculum-GRCC.

Equipment Purchases are anticipated to increase by \$361K. We purchased two copiers, a car with the remainder needed for planned computer and lap top purchases for the purpose of replacement.



# Area Community Services Employment and Training Council

## General Fund Michigan Works! Budgetary Comparison Schedule For the Fiscal Year Ending June 30, 2022

	Fiscal Year 2021 - 2022 Original Budget	Fiscal Year 2021 - 2022 Proposed Mod 1	Increase (Decrease)
<b>REVENUES</b>			
Grant Income	\$ 31,617,000	\$ 33,000,000	\$ 1,383,000
Program income	20,000	20,000	-
<b>TOTAL REVENUE</b>	<b>\$ 31,637,000</b>	<b>\$ 33,020,000</b>	<b>\$ 1,383,000</b>
<b>EXPENDITURES</b>			
Operating costs:			
Wages	\$ 10,715,000	\$ 10,850,000	\$ 135,000
Fringe	3,633,000	3,925,000	\$ 292,000
Consumables	708,000	848,000	\$ 140,000
Transportation	160,000	78,000	\$ (82,000)
Outside Services	915,000	1,301,000	\$ 386,000
Space & Communications	1,729,000	1,779,000	\$ 50,000
Equipment Rent & Maintenance	55,000	65,000	\$ 10,000
Equipment Purchases	147,000	508,000	\$ 361,000
Other Expenses	486,000	506,000	\$ 20,000
Subcontracted program costs	819,000	845,000	\$ 26,000
Training costs	11,252,000	11,252,000	\$ -
Direct client expenditures	1,018,000	1,063,000	45,000
<b>SUBTOTAL OPERATING EXPENSES</b>	<b>\$ 31,637,000</b>	<b>\$ 33,020,000</b>	<b>\$ 1,383,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**MEMORANDUM**

**TO:** Executive Leadership and Strategic Engagement Committee of the  
West Michigan Works! (WMW) Workforce Development Board (WDB)

**FROM:** Bob Perkins, Chief Financial Officer

**DATE:** May 2, 2022

**RE:** FYE 2023 Budget

The budget modification for the fiscal year ending June 30, 2023 was presented and approved on April 25, 2022 by the ACSET/West Michigan Works! Governing Board.

**Approved FYE 2023 Budget**

The 2022-2023 budget plans for \$33,733,000 of total revenue.

This represents a 2.2% increase over the proposed (mod 1) 2021-2022 budget.

West Michigan Works! has not yet received planning allocations for the 2022-2023 year. The budget was prepared with the following assumptions: flat funding for the WIOA, Wagner Peyser, PATH and FAET programs, Trade, and an increase in the Going Pro Talent Fund (GPTF) awards and timing differences of \$1.4K million and MILEAP of \$1 million. There is a \$1.7 million decrease from Grants that will not be renewed (Healthy Michigan, Healthy Michigan Navigator, Community Ventures, Rise Up, DW NEG – COVID 19, Kellogg Hiring Model, DeVos Hire Reach, Learn Earn & Provide Pilot, Kellogg Start Up and Clean Slate).

**Expenditures**

The budget for salaries is estimated to increase by \$450K. This increase represents new positions added as well as merit increases for existing staff. Fringe budget is expected to increase by \$162k in relation to the increased salaries.

Consumable supplies, Outside Services, Space and Communication, Equipment Purchases, Other Expense, and training have been adjusted and includes initial planned expenditures for 2022-2023.

Transportation has been increased in anticipation of more in person meetings and staff training/conferences.

Training costs represent a 7% increase. This increase is due to the GPTF.

Direct client cost reduction is partially due to grants ending that are not expected to be renewed during the 2022-2023 fiscal year as well as reductions in on-going programs based on anticipated availability of funds.

A budget modification will be presented to the board for approval once finalized allocations are received from our grantors.

# Area Community Services Employment and Training Council

## General Fund

### Michigan Works! Budgetary Comparison Schedule For the Fiscal Year Ending June 30, 2023

	Fiscal Year 2021 - 2022 Budget Mod 1	Fiscal Year 2022 - 2023 Proposed Budget	Increase (Decrease)
REVENUES			
Grant Income	\$ 33,000,000	\$ 33,713,000	\$ 713,000
Program income	20,000	20,000	-
TOTAL REVENUE	\$ 33,020,000	\$ 33,733,000	\$ 713,000
EXPENDITURES			
Operating costs:			
Wages	\$ 10,850,000	\$ 11,300,000	\$ 450,000
Fringe	3,925,000	4,087,000	162,000
Consumables	848,000	860,000	12,000
Transportation	78,000	103,000	25,000
Outside Services	1,301,000	901,000	(400,000)
Space & Communications	1,779,000	1,767,000	(12,000)
Equipment Rent & Maintenance	65,000	55,000	(10,000)
Equipment Purchases	508,000	300,000	(208,000)
Other Expenses	506,000	456,000	(50,000)
Total Operating Costs	19,860,000	19,829,000	(31,000)
Subcontracted program costs	845,000	895,000	50,000
Training costs	11,252,000	12,036,000	784,000
Direct client expenditures	1,063,000	973,000	(90,000)
Total Expenses	\$ 33,020,000	\$ 33,733,000	\$ 713,000
Net Change in Fund Balance	\$ -	\$ -	\$ -

## MEMO

*To: Executive Leadership and Strategic Engagement Committee of the West Michigan Works!  
Workforce Development Board*  
*From: Janie McNabb, One-Stop Operator*  
*Date: May 9, 2022*

### *Re: Update of West Michigan Works! Strategic Plan*

#### **Background and Process**

The Executive Leadership and Strategic Engagement Committee has reviewed the current West Michigan Works! Strategic Plan and provided input through conversation at various meetings. The focus of this review has been to look at the continued relevance of the 12 strategies, considering environmental changes from the COVID pandemic.

The process for this review occurred as follows:

- January 10, 2022 / Executive Leadership and Strategic Engagement Committee: Reviewed the 12 strategies and determined all are still relevant. However, there was concern about how the strategies were implemented and more information was needed.
- February 14, 2022 / Workforce Development Board: Reviewed the 12 strategies. The board had an opportunity to provide comment and raise questions; some discussion occurred relating to the wording of some Customer-Focused Strategies. General consensus indicated that the strategies are still relevant and there were no major items missing.
- March 14, 2022 / Executive Leadership & Strategic Engagement Committee: OSO gave a comprehensive presentation on how the organization has implemented the 12 strategies during the last two years, indicating ways in which the staff have pivoted based on customer needs. Feedback and guidance was provided by committee members.

#### **Recommendation**

Based on the board engagement process described above, along with input from agency leadership, I recommend revising the wording of three of the 12 strategies. These are minor adjustments, but provide a slightly new direction for each.

##### *Customer-Focused Strategies:*

1. *Existing Strategy:* Engage opportunity youth with experiences that build occupational awareness and prepare them for career pathways within the local economy.  
*Change to:* **Engage local talent, especially area youth, by providing work-based experiences that build occupational awareness and career pathways in the local economy.**

2. *Existing Strategy:* Connect with overlooked talent pools through partnership networks and strategic outreach efforts.

*Change to:* **Increase connections with diverse talent through expanded partnerships and outreach efforts.**

#### *System-Focused Strategies:*

6. *Existing Strategy:* Maintain career pathways mapping for the region's key industries and serve as the primary resource for pathways information across the region.

*Change to:* **Facilitate career pathways for the region's key industries in partnership with industry councils and postsecondary institutions.**

See the attached Strategic Plan document to view these recommended changes within the full scope of the plan.

## **Impact on Operations**

The updates described above will provide new guidance for agency leadership when making decisions and directing resources.

- The first two strategies are broadened with the new language. The agency needs to cast a wider net and use not only existing partnerships but create new ones in order to gain more access to the talent pool.
- The third strategy is also broadened. As the industry councils are updating their own strategies after covid, West Michigan Works! needs to facilitate and support their efforts. This means taking direction from employers who are leading the councils.



VISION  
MISSION

VALUES

CORE  
COMPETENCIES

# Strategic Plan - Update 2020

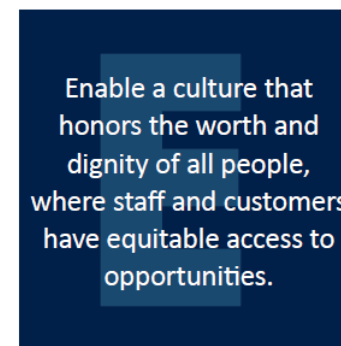
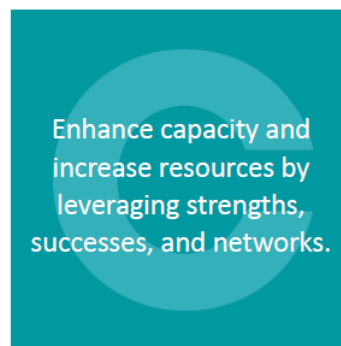
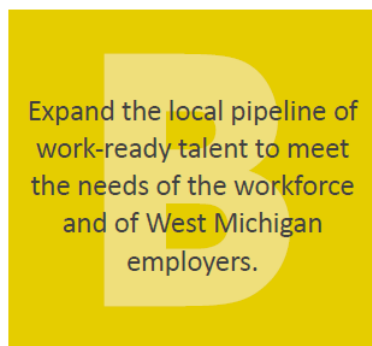
West Michigan Works! is an employer-recognized model of high-quality service that convenes an aligned network of partners, cultivates a skilled workforce, and meets the needs of employers.

To lead workforce development strategy and resource alignment in West Michigan by understanding the talent needs of employers and employment needs of jobseekers and connecting them to solutions.



Convening & connecting · Outreach & communication  
Career coaching and assessment · Employment & retention  
Gathering & disseminating information

# GOALS



## CUSTOMER-FOCUSED STRATEGIES

1. <del>Engage opportunity youth with experiences that build occupational awareness and prepare them for career pathways within the local economy.</del> <b>Engage local talent, especially area youth, by providing work-based experiences that build occupational awareness and career pathways in the local economy.</b>	●	●		●	●
2. <del>Connect with overlooked talent pools through partnership networks and strategic outreach efforts.</del> <b>Increase connections with diverse talent through expanded partnerships and outreach efforts.</b>	●	●			●
3. Expand employability skills training services to new, targeted audiences across the region.		●	●		●
4. Establish and expand services that provide solutions for retention of employees at West Michigan employers.	●		●		●

## SYSTEM-FOCUSED STRATEGIES

5. Advocate for systems and resources that lessen barriers to success for employers and underserved communities in West Michigan.	●	●			●
6. <del>Maintain career pathways mapping for the region's key industries and serve as the primary resource for pathways information across the region.</del> <b>Facilitate career pathways for the region's key industries in partnership with industry councils and postsecondary institutions.</b>	●		●		
7. Enhance the positive reputation of West Michigan Works! through brand association with workforce resources and opportunities.	●		●		●

## CAPACITY-BUILDING STRATEGIES

8. Develop mechanisms that enable the organization to capitalize on successful initiatives and pursue different sources of funding.			●	●	
9. Develop robust systems for professional development in support of a culture that emphasizes staff diversity and inclusion, training, and empowerment.				●	●
10. Improve communication among staff departments in support of a culture that prioritizes team-based approaches and solutions-driven strategies.				●	●

## ACCOUNTABILITY STRATEGIES

11. Engage board members in ongoing continuous improvement through subcommittees and workgroups that reinforce strategic priorities.	●			●	●
12. Conduct annual reviews of service delivery models and execution to ensure equity, consistency, and quality at all West Michigan Works! Service Centers.	●			●	●

# ADMINISTRATIVE OFFICE

Area Community Services  
Employment & Training Council  
215 Straight Ave NW  
Grand Rapids, MI 49504  
(616) 336-4100

## SERVICE CENTERS

### Allegan County

3255 122nd Ave  
Allegan, MI 49010  
(269) 686-5079

### Barry County

130 E State St  
Hastings, MI 49058  
(616) 649-9850

### Ionia County

603 W Adams St  
Ionia, MI 48846  
(616) 389-8525

### Kent County

121 Franklin SE  
Grand Rapids, MI 49507  
(616) 336-4040

215 Straight Ave NW  
Grand Rapids, MI 49504  
(616) 336-4460

10075 Northland Dr NE  
Rockford, MI 49341  
(616) 228-6724

### Montcalm County

114 S Greenville W Dr  
Greenville, MI 48838  
(616) 754-3611

### Muskegon County

316 Morris Ave  
Muskegon, MI 49440  
(231) 724-6381

### Ottawa County

121 Clover St  
Holland, MI 49423  
(616) 396-2154

## MEMORANDUM

TO: Executive Leadership and Strategic Engagement Committee of the  
West Michigan Works! (WMW) Workforce Development Board (WDB)

FROM: West Michigan Works! Staff

DATE: May 2, 2022

RE: Wagner-Peyser Proposed Rule: April 19, 2022

## Key highlights:

- Specifically, sec. 3(a) of the Wagner-Peyser Act requires the Secretary to assist in coordinating the ES offices by “developing and prescribing minimum standards of efficiency.” As the court in *Michigan v. Herman*, 81 F. Supp. 2d 840 (W.D. Mich. 1998), concluded, “the language in [sec. 3(a)] authorizing the Secretary to develop and **prescribe ‘minimum standards of efficiency’ is broad enough to permit the Secretary. . . to require merit staffing.**” Id. at 848. (page 9)
- The Department’s discretion to require the use of State merit staff to provide ES services was affirmed in *Michigan v. Herman***, 81 F. Supp. 2d 840 (W.D. Mich. 1998). As explained earlier in this preamble, in the 1990s, the Department approved limited exemptions from the merit-staffing requirement for three States (Colorado, Massachusetts, and Michigan) during the establishment of the one-stop delivery system to test alternative service-delivery models, but subsequently noted that no additional exemptions would be authorized. (page 24)
- The Department recognizes that this proposed change will have the most impact on the three demonstration States, Colorado, Massachusetts, and Michigan.** Since the 1990s, these three States have relied on an exemption in their approved State plans to use some limited form of non-State-merit staffing. Any burden imposed on these three States by the proposal to require their use of only State merit staff may be mitigated by the States’ currently approved staffing models. Colorado and Michigan both use only merit-staffing to deliver ES services, but they employ merit staff at both the State and local level to deliver services. **For these States, the proposed regulation would require that they discontinue their use of local merit staff and use only State merit staff.** (page 26)
- However, acknowledging that these three States, and any State that had taken action under the 2020 Final Rule, will be unable to immediately comply with this proposed requirement, **the Department proposes to provide 18 months for States to implement the State merit-staffing requirement in order to provide States with adequate time to consider and implement any necessary changes to come into compliance**, including time to resolve outstanding contractual obligations and align changes with the timed financial



allotments. ***The Department is open to adjusting this time period*** and, accordingly, it seeks comments from States regarding whether 18 months is sufficient time to comply with this requirement. The Department also seeks comments from States describing other regulatory changes States believe are necessary to effectuate compliance with the proposed changes. **(page 27)**

- The Department anticipates that the proposed rule would result in costs, transfer payments, and benefits for State governments and agricultural employers. The costs of the proposed rule would include rule familiarization and additional information collection for State governments, as well as transition costs such as recruitment, training, and technology expenses for the four States (i.e., Colorado, Delaware, Massachusetts, and Michigan) that currently have non-State-merit staff providing some labor exchange services and would need to transition to State merit staff for the provision of all labor exchange services. **(page 80)**
- The 2020 Final Rule gave all States and territories more staffing options for delivering labor exchange services. Four States (Colorado, Delaware, Massachusetts, and Michigan) currently have non-State-merit staff providing labor exchange services, and others have expressed interest in such an arrangement. ***This proposed rule would require all ES labor exchange services to be provided by State merit-staffed employees; therefore, these four States would need to restaff*** (along with other States that could implement non-State-merit staffing before this NPRM is finalized) and may incur additional wage costs. **(page 85)**
- To estimate the transfer payments, the Department surveyed the four States and asked them to provide the total number of full-time equivalent (FTE) hours provided by State merit staff and non-State-merit staff dedicated to delivering ES services, as well as the occupation (or position title) and annual salary for all employees included in the FTE calculations. Delaware, Massachusetts, and Michigan provided data via email, while Colorado responded via telephone. **(page 86)**
- ***Michigan reported that it currently has approximately 192 FTE non-State-merit staff.*** A wide range of occupational titles for non-State-merit staff providing ES services was reported; however, most of the staff members are program managers, employment and job specialists (or other professional occupations), or office and administrative support workers. Based on the occupational distribution of the State merit staff reported by Michigan, the Department assumes that 7 percent (or 14.3 FTEs) of the 192 FTE non-State-merit staff are program managers, 83 percent (or 159.3 FTEs) are employment and job specialists, and 9 percent (or 18.1 FTEs) are office and administrative support workers. Michigan reported that the median annual salary plus benefits and other associated employment costs for non-State, merit-staffed program managers is \$86,494, the median for employment and job specialists (or other professional occupations) is \$50,955, and the median for non-State, merit-staffed office support specialists is \$43,602. Michigan also reported that the median annual salary plus benefits and other associated employment costs for State merit-staffed State administrative managers is \$189,639, the median for State merit-staffed migrant service workers is \$100,894, and the

median for State meritstaffed office secretaries is \$102,135.27 The Department did not adjust the annual wages to account for fringe benefits or overhead costs because the wages reported by Michigan already included benefits and other employment costs. The Department calculated the difference between the fully loaded wage rates of the 192 current non-State-merit staff and 192 potential State merit staff. The wage cost increase for Michigan is estimated at \$10,489,704 per year.<sup>28</sup> ***In total, the proposed rule is expected to have annual transfer payments of \$10,109,091 for Delaware, Massachusetts, and Michigan*** (= -\$2,225 - \$378,387 + \$10,489,704). (page 87 & 88)

#### Alternative 1

- a. Alternative 1 Under this alternative, the Department would return to the pre-2020 Wagner-Peyser Act regulations, reinstituting the State merit-staffing requirement for all States except for the three States previously operating as exceptions: Colorado, Massachusetts, and Michigan. After careful consideration, ***the Department is not pursuing this alternative***. These States operate ES by devolving it to the local level where it can be managed alongside WIOA title I services. While such alignment with WIOA title I has some value, it is outweighed by the benefits of aligning ES staffing with UI administration and adjudication, which would allow ES staff to provide surge capacity for UI administration and adjudication during times of high need. Therefore, the Department is proposing that all States, including those that previously operated as demonstration States, come into compliance with the merit-staffing requirement. (page 91)

#### Alternative 2

- ***Under this alternative, the Department would require States to come into compliance with the requirement to use State merit staff within 30 or 60 days of issuance of the final rule. The Department is not pursuing this alternative because it could result in significant interruption to ES labor exchange services in the four States not already operating in compliance with the proposed rule.*** Colorado, Delaware, Massachusetts, and Michigan would need to rapidly shift existing staff or hire new staff and may find themselves in violation of contracts for services negotiated after the 2020 Final Rule. The Department recognizes that this alternative would be a substantial change for those States that have relied on other staffing arrangements and they may need time to make adjustments to personnel, contractual arrangements, and service provision. Accordingly, the Department is proposing to allow those States 18 months from the effective date of the final rule to come into compliance with the merit-staffing requirement rather than stipulating that the States comply immediately. (page 92)