

Chapter Three

MICHIGAN CASE STUDY

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Section I. Background Information and Issues

For nearly a decade prior to the passage of the Workforce Investment Act (WIA), workforce stakeholders, led by Governor Engler and his predecessor, Governor Blanchard, alongside a handful of thoughtful public and private sector practitioners, had been advancing innovation, efficiency, and effectiveness in the Michigan workforce system. Many of these efforts foreshadowed the form and intent of WIA provisions. For example Michigan introduced the One-Stop Career Center model in 1993, and by 1995 One-Stop Career Centers, known as Michigan Works! Service Centers (MWSCs), were institutionalized as the state service delivery model. The state had also experimented with innovative uses of technology as early as 1990 under the initiative known as the Michigan Opportunity System. With its “smart card” and dispersed automated information kiosks, the Michigan Opportunity System attempted to streamline service delivery, improve access to employment and training, and improve the breadth and quality of consumer choices.¹ Michigan has continued to refine the use of technology before and after WIA through web-based applications accessed through the Michigan Talent Freeway, and career counseling/skills assessment software such as WorkKeys, which serve employers, job seekers, and educators statewide.

Michigan has also implemented successive structural changes in state agencies and commissions with missions related to education, workforce, and economic development. A 1994 Executive Order established the Michigan Jobs Commission, which combined an array of workforce and economic development programs within a single state agency. In 1996, the Michigan Jobs Commission and local leadership began establishing a network of employer-led local workforce development boards with policy and planning responsibilities for the 25 local, public/private Michigan Works! Agencies (MWA) that were designated to operate workforce programs in the MWSCs throughout the state.

By means of another Executive Order in 1999, Governor Engler restructured Michigan Jobs Commission as the Michigan Department of Career Development (MDCD), bringing in career-related education (adult education, career and technology education, and postsecondary services) and separating out the economic development

functions into a more specialized, quasi-public/private agency, the Michigan Economic Development Corporation (MEDC). MEDC promised to be more universally responsive to the career needs of all residents, while MEDC adopted a more corporate structure to be more responsive to market conditions and business needs in pursuit of economic growth. Overall, agency organization reflects the state consensus regarding the interdependence of education, workforce development, and economic development.

Michigan Chronology	
1987	<ul style="list-style-type: none"> Michigan Works! Association established to foster high quality employment and training programs.
1990	<ul style="list-style-type: none"> Michigan Opportunity System introduced.
1993	<ul style="list-style-type: none"> Executive Order 1993-3 creates the Governor’s Workforce Commission as the single state human resource investment council.
1994	<ul style="list-style-type: none"> Executive Order 1994-26 assigns major federal human resource programs to the newly created Michigan Jobs Commission.
1995	<ul style="list-style-type: none"> Michigan Business Roundtables unite state government and key industry efforts to remain competitive in the global economy.
1996	<ul style="list-style-type: none"> State policy requires the development of One-Stop Service Centers known as Michigan Works! Service Centers. Workforce Development Boards (formerly Private Industry Councils) and Michigan Works! Agencies mandated for 25 substate workforce areas.
1999	<ul style="list-style-type: none"> Michigan One-Stop Career Center minimum quality standards introduced. Michigan One-Stop Management Information System (OSMIS) consolidates Workforce Development Board data, adult education, and employment services data into central Internet-based system with links to the Michigan Talent Bank. Career Education Consumer Report System (CECR), a web database of education and training opportunities and provider information, introduced. Executive Order 1999-1 creates the Michigan Department of Career Development, comprised of the former Office of Workforce Development, Michigan Rehabilitative Services, and the Employment Services Agency. Transfers all economic development programs within the Michigan Jobs Commission to the Michigan Economic Development Commission, a quasi-public entity. Executive Order 1999-12 transfers Career and Technical Education Services, Postsecondary Services, and Adult Education from the Department of Education to the Michigan Department of Career Development.
2000	<ul style="list-style-type: none"> Michigan implements provisions of the Workforce Investment Act.

Michigan implemented WIA in July 2000 as required by federal statute. The act has allowed Michigan to continue along the pathways already selected, supports the state's focus on a demand-driven, business-led system, and encourages further devolution of operational responsibilities to the local areas. A real commitment to local direction is a hallmark of the Michigan system as noted repeatedly by state and local leaders, and as evidenced by the dramatically different service delivery orientation of the two local study sites examined in this research. The Capital Area MWA functions almost entirely as a vehicle for labor exchange services with multiple contractors at the career centers and a heavy reliance on self-directed employment services available in the resource areas. Alternatively, the Northwest MWA places notable emphasis on education and training accessed through a single contractor and places much more emphasis on staff-assisted or mediated, rather than self-directed, services.

Although the state may be regarded as equivocal regarding workforce policy leanings toward human capital development or labor force attachment, almost every spokesperson indicated that WIA as initially marketed by the U.S. Department of Labor (U.S. DOL) had a strong "work first" thrust. As indicated above, there appears to be broad local variation in local policy interpretation and application concerning the overall orientation of the workforce services as well. The Capital Area has provided very little access to education or job training for recipients of WIA Title I Adult resources through its MWSCs, concentrating instead on the provision of core universal and staff-assisted services.² The Northwest Area more consciously strives to enroll individuals in education or training activities that will help them improve their career prospects, but has somewhat limited who is served because of resource constraints and WIA performance accountability measures.

In general, MWSCs operate on two planes: staff attempt to deliver individualized, seamless, and transparent services to the broad array of customers on one plane, while operating on another behind it upon which behavior is largely influenced by the funding program's service delivery, reporting, and performance requirements. The "work first" philosophy of the Temporary Assistance to Needy Families (TANF) block grant is the exception to this. TANF participants are not part of the mainstream client flow, and the program, which remains driven by participation rates, is more about getting a job as quickly as possible.

When Michigan implemented WIA in July 2000, basic oversight and delivery structures were already in place. The state opted to "grandfather" its state and local boards, as well as the boundaries of its 25 workforce areas that were designated in 1996. The provision of universal services has helped broaden and increase resident use of the MWSCs, and more "partners" are getting involved in substate areas. WIA has supported an environment that has encouraged Michigan to steadily improve several statewide initiatives, including the network of approximately 100 MWSCs,³ its One-Stop Management Information System (OSMIS), and the provision of technical assistance and training. The act has also helped the state pursue the use of advanced technology applications for labor exchange (Michigan Talent Bank), career and labor market

information, the Michigan Virtual University, and training provider information (Career Education Consumer Report), which all can be accessed through the Michigan Talent Freeway portal. The state has sharpened its focus on customer satisfaction and customer service through surveys and its “mystery shopper/mystery stopper” efforts in which some individuals who call or visit offices are really monitoring service quality.

On the other hand, WIA has been unable to provide solutions for challenges associated with its own provisions. Some areas of the state struggle with adequate funding for career centers and with cost allocation between co-located partners. WIA performance measures are cumbersome and, alongside WIA’s dependence on quarterly wage data, generally lack the timeliness necessary for useful feedback to managers and service providers. Additionally, lack of consistent reporting practices at the service delivery level may be undermining the credibility of the observed results. Federal “silo-driven” service delivery and reporting requirements remain intact, a condition that many in the state would like to see eliminated. These requirements are perceived as outdated and not useful in a state that has begun to discuss more systemic measures, and whose local strategic planning exercises have encouraged local Workforce Development Boards (WDBs) and partners to focus more on “big picture” outcomes. These are among the principal conditions and provisions of WIA that are deemed constraints.

The state and local areas exhibit a cooperative relationship, in part through the Michigan Works! Association, a membership group of board chairs and executive directors that provides technical assistance and serves as an intermediary between MDCD and the WDBs. It is perhaps the oldest and largest association of its kind in the nation. Many state agency and local board staff are well tenured, and have experienced the benefits of collaboration. With the state committed to local empowerment, this relationship is likely to persist. What are less likely to persist are the current organizational structures of state government. Republican Governor Engler is being succeeded by Democratic Governor Granholm, who may return work-related education programs to the Department of Education or make other changes.⁴

Section II. Leadership and Governance

A. Leadership

Governor Engler is widely regarded as the major catalyst for the comprehensive vision and structure of the current Michigan Works! System. His position and personality enabled him to set the direction and establish the key features of the state career development system, which he did through the appointment of skilled leaders and advisors in the arenas of employment training, education, and economic development. A “white paper” on workforce development prepared by Michigan workforce professionals reportedly helped the governor materialize a vision for the state system. In addition to the series of executive orders that frame the career development system, oft cited examples of his role and interest in system development include his identification as the first “Mystery Stopper”— a quality control program noted above — and his ability to address local WDB chairs and directors on a first name basis. Although the governor was

not as directly involved in the latter years of his administration, the critical mass established earlier and the quality/commitment of state/local leadership have driven system development and continuous improvement. The director and deputies at MDCD have committed to a state supported/locally driven and responsive system. At least in the two substate areas visited as part of this assessment, MWA administrators have laid strong claim to local “ownership” for their piece of the career development system. Successive MDCD directors have been tireless advocates of locally responsive, systemic development.

Few legislators have taken keen interest in workforce/career development, and residual resistance continues from elements of the education sector. Organized labor, which is the state Rapid Response contractor, as well as a major recipient of Title I Dislocated Worker contracts, operates more as a team player than an innovator regarding the state/local, public/private career development projects.

B. Governance

Michigan originally grandfathered the Governor’s Workforce Commission (GWC) and local boards as the state and local Workforce Investment Boards under WIA. State and local workforce boards provide forums for linking business, economic development, educators, the public sector, and other community-based parties. The MWSC Steering Committee, comprised of state and local workforce practitioners, helps to guide MDCD and the GWC regarding the design and operation of the service delivery system.

The GWC, established in 1993, had 20 members who were recommended by their constituent group for two-year appointments by the governor. Membership was distributed as follows: private sector (four); state agency (five); educators (three); labor (three); community-based organization (one); and members-at-large (four). Geographic representation and policy-making authority were factors in the appointment process. The director of MDCD serves as the spokesperson for the governor on workforce development issues before the GWC. The GWC members in turn bring their perspectives into the discussion and as a body they are to move towards collaboration that leads to efficient use of resources and continuous improvement in the career development system.

Governor Engler reconstituted the GWC as the Michigan Workforce Investment Board (MWIB) in the summer of 2002. The 53 member MWIB, whose composition is in compliance with the specific requirements of WIA, had its first meeting in September, 2002. Governor Engler explained to the state legislature that the restructured board more adequately reflects the current organization of state government.⁵ The changes in the make-up of the commission resulted in the loss of its “grandfather” status.⁶

It is uncertain at this time how the expanded membership will affect the quality of the membership and the capacity of the MWIB to direct and support the career development system. Some individuals had indicated that the GWC was usually very

compliant with the directives and recommendations proffered by MDCD, which staffed the GWC. Local spokespersons also suggested that the GWC role and composition bordered on irrelevancy given the local needs-driven collaborations and the primacy of the One-Stop Career Centers. It will be interesting to observe the degree to which this relationship continues with the expanded membership and the political regime change.

Local boards retain a composition similar to that of the original GWC and have not relinquished their grandfather status. The chair of the board must be from—and a majority of the board members must represent—the private sector. Other members of the board represent community-based organizations, labor, education, social services, and vocational rehabilitation. A criterion for selection is that members must be employed in their companies or agencies at a level that permits them to make decisions and commitments on behalf of their employer.

Reportedly, these local policy and program oversight forums have benefited greatly from the local strategic planning exercises required by MDCD and the development of the Education Advisory Groups (EAGs), as required by state law. (Chairs of the local EAGs sit on the boards as education representatives.) At the local level nevertheless, the actual contribution of the boards to systemic workforce development appears to be largely dependent on the quality of the board staff (who frame and present policy and program issues and options for the boards), and the interest and capacity of individual board members, which reportedly varies widely. The local MWAs staff the WDBs, which (like the state board), tend to be responsive to staff recommendations. At both the state and local level, the tendency for ready approval of staff recommendations can be interpreted as a function of the quality of the plans and ideas placed before the governing body, as well as strong consensus on the structure and direction of the current career development system.

Spokespersons at both the state and local level indicated that they would prefer to have much more flexibility to alter board composition than is currently permitted under WIA, which requires localities to assemble a board comprised of all One-Stop Career Center partners, should they diverge from the pre-WIA composition. This is perceived as a local control and responsiveness issue. In particular, many indicated that they would like to have more and better business representation on the WDBs, but fear making any changes that would activate WIA requirements, which are seen locally as unwieldy.

A few final items regarding WIA governance deserve mention. There are no providers on the boards. Michigan has a strict conflict of interest policy that no individual who is employed by an entity that receives funds directly from the WDB can sit on the board, excepting some educators whose organization may be receiving workforce funds for students. These board members are required to recuse themselves in votes regarding contracts with their entity.

Also, although the WDBs govern the local workforce development system, they are frequently perceived as but one entity among the several that may be charged with promoting community well-being. For example, in the two study sites, the workforce

director and staff were employees of the administrative entities (Northwest Michigan Council of Government or the Tri-County Consortium, each with its own administrative board), and also served the WDBs and the EAGs. Despite the fact that at least 85 percent of WIA Adult funds and 60 percent of the WIA Dislocated Workers funds are formula allocated to the WDBs, they directly control only a small share of the sum of career development resources available locally.⁷

Section III. Workforce System Planning

A. State Strategic Planning

The MDCD program staff prepared the original five-year state strategic plan submitted for July 2000 implementation of WIA Title I and the Wagner-Peyser Act with input from state agency and WDB staff with specialization in certain areas and who served on committees. The state submitted a separate Youth Transition Plan, which was built upon local plans that were previously reviewed and approved by the MDCD and the GWC. MDCD subsequently wrote the state youth plan, and after two rounds of public comments, sent the Youth Transition Plan to U.S. DOL.

General consensus among board members and staff was brokered through the Michigan Works! Association. The MDCD disassembled the planning guidelines to component parts and assigned appropriate state agency and local professional staff to respond to required questions and to provide information. For example, employment services staff wrote the detailed Wagner-Peyser Act section of the plan, and other MDCD staff, in consultation with board and field staff, prepared definitions of self-sufficiency, state discretionary activities, and other sections of the plan. Subsequent to a period of public opinion on the draft plan (which was available on the web), the MDCD addressed concerns, modified the plan as appropriate, and made the final draft available for comment before approving the plan for recommendation to the GWC. The GWC forwarded the plan to U.S. DOL, which approved it in April 2000. For the final plan for Program Years (PYs) 2001 and 2002, MDCD prepared only technical amendments to its WIA strategic plan, e.g., changes in language regarding placement wages and eligible training provider lists.

The state WIA strategic plan is viewed primarily as a compliance document that presents the goals, broad design and policy (conflict of interest, allocation formulas, performance standards, One-Stop Career Center certification and partnering requirements, geographic designations, provider certification requirements, etc.), and other elements required by the federal government. (For details see: http://www.michigan.gov/documents/5year-state-WIA-plan_4437_7.pdf.)

B. Local Planning

Local planning exceeds the requirements of WIA. Led by EAGs and WDBs working with an array of stakeholders, local strategic planning is more collaborative, detailed, and rigorous, requiring an environmental scan, goal setting, and a “scorecard”

approach. The state placed \$75 million from tobacco settlement in the MDCD to encourage local innovation, part of which was used to support the local strategic planning initiatives statewide. The mandate to each area was to identify five strategic goals and begin to assess the means required to achieve them. The idea was to encourage regional efforts based on perceived local needs and available resources, and to begin considering ways to maximize the use of state, federal, and local funding, including that provided under WIA and other work-related streams.

Michigan has established five economic and workforce development goals:

- Goal 1: Develop an integrated career development system through industry-education partnerships at the state, regional, and local level.
- Goal 2: Develop an effective, integrated career decision-making and preparation system for youth and adults.
- Goal 3: Establish a competency-based Career Development System that integrates academic and industry skill standards.
- Goal 4: Inform and educate the public on Michigan’s Department of Career Development System and how to access and use it effectively.
- Goal 5: Improve staff skills to enable the Michigan Department of Career Development to provide better service to its multiple customers.

Source: State of Michigan. 2000. “Strategic Five-Year State Workforce Investment Plan for Title I of the WIA of 1998 and the Wagner Peyser Act.” (July 1, 2000-June 30, 2005), http://www.michigan.gov/documents/5year-state-WIA-plan_4437_7.pdf. P 1.

Reportedly, these exercises have laid a foundation for regional well-being through a more comprehensive approach based on the integration of education, workforce development, and economic development. According to some workforce professionals, the local labor market supply and demand data repackaged for the local planning exercises proved alluring to many of the partners in the local planning groups. Many had not previously thought about the well-being of the community from the labor market and workforce development perspective.

WDB staff prepared the consolidated operational plans required by the act and presented them to their respective boards for approval and advancement to the state.

Section IV. System Administration: Structure and Funding

A. System Overview

The Michigan Works! System strives to be a comprehensive and continuously improving workforce and career development system comprised of agencies, programs, and services designed to meet the employment and human capital needs of business and workers with the goal of maintaining and expanding the Michigan economy. At the direction of the governor, the MDCD provides administration, oversight, and technical assistance to 25 WDBs and MWAs which have responsibility for local administration and service delivery. The MWIB is a business-led council of employers, labor, education, and community-based organizations in accord with WIA that has advised the governor and MDCD on broad goals and policies.

The Michigan Works! System is governed locally by a partnership between the local elected officials and the WDB. The local elected official, who may be the chief elected official of a local unit of government or a consortium of local elected officials, appoints board members recommended by stakeholders from the private sector, labor, education, and community-based organizations.⁸ The local MWA is comprised of the administrative entity that serves the WDB and administers services delivered by the MWSCs, the other component of the MWA. Each board also has an EAG, as required by state law, which may be designated the WIA youth council. (The WDB itself or a subcommittee of the board may alternatively serve as the youth council.)

The MDCD is the lead state agency for WIA and a very broad range of “career development” resources.⁹ The MDCD has three major divisions with several offices within each and several programs within each office (see Appendix A, Figure 1). The division of Workforce Development includes the Office of Workforce Development (OWD), Michigan Rehabilitation Services, and the Employment Service Agency (ESA). Major workforce programs are found in OWD, which retains administrative responsibility for most federal and state employment training programs. Services provided under these programs are delivered by staff of local contractors selected by WDBs. The ESA contains federal and state programs that are delivered by state employees or contracted public merit staff in the substate areas.

OWD provides program policy guidance, monitoring and oversight, and technical assistance to WDBs for programs that include:

- Workforce Investment Act;
- Work First Program;
- Food Stamp Employment and Training;
- Welfare-to-Work;
- Rapid Response;
- Trade Adjustment Assistance and TAA-NAFTA;

- Displaced Homemaker Program; and
- Corrections Parolee Employment Training Program.

ESA includes:

- Wagner-Peyser Act Employment Services;
- Veterans' Employment Programs;
- Migrant and Seasonal Farmworker Program; and
- Labor market information services.

The Division of Career Education, whose mission is to assure that students have the academic, technical, and work behavior skills necessary for success in the career of their choice, contains the Office of Career and Technical Preparation, the Office of Postsecondary Services, and the Office of Adult Education/Spanish Speaking Affairs. (This division or elements within it may be relocated within the Department of Education during the next administration. This will likely have little or no effect on collaborative service delivery, which is coordinated locally.)

The Office of Career and Technical Preparation serves the K-12 system and includes Career Preparation, Tech Prep, and Carl D. Perkins programs. The Career Preparation Unit was created by amendments to the School Aid Act and an executive order in 1997. It pursues most of the activities previously supported by the federal School-to-Work program, including support for establishing career pathways in secondary schools.

The Office of Postsecondary Services includes the Community Colleges Services Unit, the Educational Corporations Unit (private colleges), the King*Chavez**Parks Initiative (outreach and support for underserved populations), the Proprietary School Unit, and the Veterans Education Unit. The Office of Postsecondary Services works closely with OWD to help boards and postsecondary institutions coordinate strategic planning, activities, and resources. For example, the Community Colleges Services Unit requests that colleges submit their Perkins application plan to the WDBs for review and comment prior to sending it to the state for approval. The Office of Postsecondary Services also consults with the EAG to certify that a Perkins grant applicant meets minimum standards before recommending approval for the community college or other eligible recipient. OWD and Office of Postsecondary Services are also planning to survey WDBs and postsecondary entities regarding partnership building and areas of concern.

The Office of Postsecondary Services also promotes information and access to the Michigan Talent Bank and the Michigan Talent Freeway, including career awareness and virtual classes, through its units. Although the office is committed to working with the ESA to develop a data system that matches employer demand data with postsecondary program and student data, progress has been slower than anticipated.

One-Stop Career Centers must provide information, intake, eligibility determination, and enrollment and referral to program activities for:

- WIA Title I Adult programs;
- WIA Title I Dislocated Workers programs;
- Employment Services;¹⁰
- Veteran's Employment Services;
- Vocational Rehabilitation; and
- Trade Adjustment Assistance (TAA) and TAA/NAFTA.

They also must at least minimally provide information and referral to 26 other sources of career-related education and training. Table 1 in Appendix B portrays programs/funding streams that are likely to have a presence in MWSCs across Michigan, as well as their funding source, lead state agency, local administrative entity, and local agreement mechanism (all established through memoranda of understanding or MOUs). Unemployment Assistance staff of the Bureau of Workers and Unemployment Compensation (part of the Department of Consumer and Industry Services, not a part of MDCD) may be located in MWSCs currently, but are in the process of converting to a call center model. MWSC staff may provide information and referral about unemployment insurance (UI) services. Claimants may register online through the talent bank (or in person at those locations that have not converted to the call center model).

The Capital Area MWA has an impressive array of programs and services available. In addition to the state's required on-site services, at the Lansing/Cedar Street Office, clients have access to:

- WIA Youth Program education and training services;
- "Work First" Program, Ingham County;
- Incumbent Worker Program;
- Partnership for Adult Learning for adults wishing to improve math and reading skills;
- GED testing;
- Migrant/agricultural services;
- Career planning assessment and consultation;
- Labor market information — current employment trends;
- Commission for the Blind, vocational rehabilitation for visually impaired individuals;
- Lansing Community College — advisors available to assist with educational needs;

- Pathways Employment Program, ex-offender services;
- New Way In, Inc., an employment program for ex-offenders;
- Peckham Inc., a parenting program;
- Computer learning/training centers and employment staffing services;
- 38 computer workstations with Internet/word processing/career and college exploration software, and typing programs;
- Michigan Talent Bank resume classes;
- Computer Technology Center offering: keyboard and mouse training, Michigan Talent Bank, computers and job search classes;
- First Impression Boutique, women's work and interview clothing;
- Award winning "employer of the day" events, spring/fall job expos;
- Computer assisted and adaptive services for people with disabilities;
- Mock interview taping sessions;
- Employment/career counseling and resume assistance (by appointment);
- Free "job related" faxing, photocopying, phone banks, and notary public services;
- Job Leads Board displaying current job opportunities; and
- Resource/library area: education/training and community outreach materials.

Partners working together on-site to provide these services include:

- Adecco Staffing Services;
- Capital Area Michigan Works! Administrative Office;
- Career Quest Computer Learning Center and Staffing Services;
- Concentra Managed Care;
- Cristo Rey Community Center;
- Eaton Intermediate School District;
- Ingham Intermediate School District;
- Lansing Community College;
- Lansing Community Credit Union;
- Lansing School District;
- Michigan Department of Career Development;
- Michigan AFL-CIO Human Resource Development, Inc.;
- New Horizons Computer Learning Center;

- New Way In, Inc.; and
- Peckham, Inc.

Figure 2 in Appendix A provides an overview of programs and services delivered at or associated with the Northwest MWA. It also indicates the mixture of primary contractor and other partner staff in the MWSCs. Generally, MWSCs have a hybridized staffing model that combines state and public merit staff with other private contractor staff on the front line. Wagner-Peyser Act labor exchange funds may be contracted to state Employment Services merit staff or other public merit staff locally. Labor market information, veteran's services, agricultural workers services, and other ESA programs are provided by state staff assigned to local offices or areas.

Typically, the board contracts with one or more entities to operate the career center and delivery services under the separate funding streams.¹¹ Northwest MWA contracts almost entirely with the Traverse Bay Area Intermediate School District (ISD) to provide services at all of the service centers. (A few youth activities and special population services are provided by other contractors.) The Capital Area MWA uses multiple contract providers for discrete services at one or more service centers, in addition to leasing space to proprietary entities such as Career Quest, New Horizons (both computer training providers), and Concentra Integrated Services (a private workers compensation employment service). The computer training providers also give free workshops on computer basics and on using the Michigan Talent Bank, supplementing the self-assisted service capacity that would be provided by Wagner-Peyser Act or other categorical funded staff who work the resource room.¹²

B. Memoranda of Understanding and Partnership Building

The state prepared a template for MOUs addressing broad roles and responsibilities between agencies and programs that was shared with local boards early in the WIA initial planning process. Boards have since successfully negotiated and maintained MOUs with a wide array of providers at the local level, basically without difficulty. The only outstanding exception is the failure of the WDBs to structure MOUs with WIA Title I Native American grantees; only five WDBs had successfully done so as of September 2002.

The efficacy of MOUs is uncertain. Many individuals felt that the pro forma exercises and generic wording did little or nothing to improve the quality of partnerships. Others felt that the requirement at least forced separate entities to clarify roles and relations. One spokesperson felt that MOUs were instrumental in preventing unrealistic expectations from occurring between partners. Generally, for those "partners" who had no previous and ongoing relationship, MOUs provide a "first step." For those that have been engaged, it adds little.

C. Education and Youth

MDCD and state administrative policy support a very “place” oriented relationship between MWAs and education entities. Although Adult Education, Postsecondary Services, and Career and Technology Education programs are located within the Office of Career Education Programs of MDCD, administrative authority for education is generally diffused and decentralized through local school districts, adult education providers, community colleges, and proprietary schools. Substate coordination of activities and resources is facilitated through local unified strategic planning exercises orchestrated through the boards with their local EAGs, economic development entities, and other interested community representatives. The process is also facilitated by the fact that regionally oriented ISDs frequently serve as One-Stop Career center contractors. Such is the case in the Northwest MWA area where the Traverse Bay Area ISD operates the eight career centers in the ten-county area, and in the Capital Area where the Ingham and Eaton ISDs are significant contractors.

Statewide, the chairs of the local EAGs sit on the boards as education representatives. These chairs also review Perkins applications from community colleges to assess their alignment with the workforce strategic plan and share these assessments with MDCD. Education is further wed to workforce development by the generally close collaboration among local adult education, community colleges, and the Michigan Technical Education Centers (M-TECs). Nevertheless, it was repeatedly mentioned that WDBs can only influence the behavior of the educational institutions; they have no real authority and not enough money to orient the education system.¹³

There are approximately 567 local independent school districts and 86 ISDs whose boards have governance over K-12 education. Moreover, these local education entities decide whether vocational and special education courses are delivered by the local school districts, intermediate school districts, or both.

Postsecondary institutions are also diffuse. There are 28 local community college districts with locally selected boards (17 of which have M-TECs). Whereas the three universities designated in the state constitution (Michigan, Michigan State, and Wayne State) are guided by a statewide elected Boards of Regents, the board members of the remaining 12 state universities are appointed by the governor. There is no central access to all of these entities.

The 17 M-TECs are each connected to a community college with “brick and mortar” start-up funding from MEDC. M-TECs are designed to be responsive to employer needs for training and retraining of workers. They may be currently characterized as an underutilized source of incumbent worker training.

According to the Office of Career and Technology Preparation (which is responsible for Carl Perkins, Tech Prep, and Career Prep funding and resides in the same MDCD division as Postsecondary Services and Adult Education), education and workforce development are well aligned at the board level, despite the structural

diffusion. The state provided \$24 million in general revenue funds to continue K-12 “Career Preparation” efforts formerly supported by federal School-to-Work funds and tied these to the local workforce boards. Each board is required to have an EAG comprised of local educators, education agencies, community colleges, parents, and workforce interests. The Office of Career and Technology Preparation provides technical assistance to the EAGs and the boards. To coordinate action, 52 to 53 Career Education Planning Districts and 35 to 40 Tech Prep grantees conform their jurisdiction to workforce investment areas. Although tensions remain between academic and career trajectories, “Career Pathways” are reportedly well established within the school system and the state has seen an increased enrollment in Career and Technical Preparation.

WorkKeys is also promoted throughout the Michigan Works! System. The MDCD has established 36 WorkKeys Service Centers statewide at all 28 of Michigan’s community colleges, seven ISDs, and the Michigan Career and Technical Institute. WorkKeys can also be accessed at a variety of other locations, including the MWSCs. Students and adults who successfully complete WorkKeys may receive a “Michigan Career Readiness Certificate.” The certificate is a portable credential that indicates to employers that an individual has the foundation of skills necessary for success in the workplace.

The major state program for adult education is the Partnership for Adult Learning. Adult education instruction is available at many MWSCs in their learning labs, as well as through the network of 250 local providers who receive state/federal funding as part of the Partnership for Adult Learning. About half of Michigan’s local public school systems operate an adult education program, which can also be accessed at ISDs, community colleges, and nonprofit organizations. Instruction is individualized and standardized tests are used to identify current functional levels, appropriate instruction, and academic gains due to participation.

There are five adult education components in Michigan:

- High school completion;
- GED test preparation;
- Adult literacy;
- English as a second language; and
- Employment related/workforce readiness.

Local literacy councils train volunteers to mentor adult students. If adult education services are not provided on-site, MWSC staff readily make referrals to local providers.

Despite the relocation of adult and other education programs within MDCD, their reporting and regulatory allegiances are connected to the U.S. Department of Education. Over time, state staff have become more “generalists,” having commingled and met with other career development units in MDCD, yet still admit that they do not engage

workforce offices and programs to the extent that occurs at the local level because of their vertical linkages.

D. State and Local Workforce Investment Board Funding Issues

As articulated by a long-term board director, the state’s funding strategy might be summed up neatly as “getting as much federal and state money to the local areas, and then making sure that they spend it all.” Only a small share of the WIA 15 percent reserves are held at the state level for statewide projects, supplemental allocations, and corrective support for underachievers. Approximately \$2 million per year is allocated directly to the Michigan Works! Association for the provision of technical assistance and guidance to the WDBs. Nevertheless, local areas express concern about several funding issues, including the perceived shortages of WIA funding for training, declining Wagner-Peyser Act funds, and the termination of One-Stop Career Center implementation and transition grants.¹⁴

The latter is an overriding concern of the MWSC operator in the Northwest Area, which has experienced career center rental cost rise from about \$170,000 to \$600,000 since WIA implementation, with the difference being squeezed out of service delivery.¹⁵ An additional unforeseen increase is the cost of maintaining and upgrading computer hardware and software in the resource areas and learning labs.

MWAs can allocate these rising expenses across required partners in the MWSCs through different schemes appropriate to their service delivery structure.¹⁶ For example, The Northwest MWA enjoys the benefit of a single contractor, the Traverse Bay ISD, which can allocate cost shares across the programs that it delivers based on relative space, staffing, and client flows. The Capital Area MWA has tailored its allocation strategy to fit different service center contexts. The Cedar Street (Lansing) MWSC proportions cost shares for rent, utilities, computer technology, and common areas based on the square footage of the cubicles leased to the various programs, contractors, and proprietary interests that are required or have elected to maintain a physical presence in the center. Alternatively, the Charlotte MWSC in the Capital Area, which is operated by the Eaton ISD, attributes cost shares to programs in a manner similar to that of the Northwest MWA.

The expenditure patterns across WIA program streams and activity clusters (core, intensive, and training services) highlight funding issues, as well as provide insights about service delivery strategies. As Table 3 in Appendix B indicates, gross expenditures under WIA Title I Adult and Dislocated Workers programs vary across the state and the study localities, as is to be expected, given variable labor force characteristics and economic conditions. But, expenditure distributions between activity clusters also vary considerably within and between program streams, suggesting different service strategies at the board level as well as concern over available funding.

Statewide expenditures of funds across core, intensive, and training services—at roughly 35 percent, 25 percent, and 40 percent respectively—is similar for WIA Title I

Adults and Dislocated Workers programs. In the Northwest Area the distribution is equivalent between Adult and Dislocated Worker programs as well, but the shares spent on activity clusters differ significantly, with about one-half used for core, one-third used for training, and the remainder for intensive services. Despite a commitment to training, the Northwest MWA expended most of its resources on basic services, which left little available for training.

The expenditure patterns between the two programs are radically different in the Capital Area. With its emphasis on labor exchange and work readiness, the Capital Area MWA expended only 26 percent of its funding on Adult training, which is about half of what it spent on Dislocated Worker training (the only group that Individual Training Accounts (ITAs) were available to in past years). The other half of the Dislocated Worker spending went to intensive services. The Capital Area MWA spent none of its WIA Dislocated Worker funding on core services; reflecting its commitment to labor exchange, it spent about 35 percent and 39 percent respectively on core and intensive services for WIA Title I Adult programs.

There is also concern that the elimination of the JTPA “hold harmless” clause and the limits on unspent WIA funds that can be carried over from the previous year will hamper the ability of the MWAs to provide training during a period of rapid and prolonged economic stagnation. However, much more immediate concerns, at least in the Northwest Area, are the seasonal nature of employment in the tourist industry, and the fragile position of local manufacturing in the global economy.

Lastly, WIA youth funding in some areas has dropped well below JTPA summer and year-round funding. The Northwest MWA reports a 50 percent decline from the former funding level, which has caused dramatic reduction in its capacity to find summer employment opportunities for youth, particularly disabled youth.

Section V. One-Stop Career Center Organization and Operations

A. State and Local Overview

For at least a decade, Michigan has been advocating the “no wrong door” approach. The 25 MWAs contract for employment and training services delivered at approximately 100 MWSCs throughout the state. Other programs are delivered directly by state and/or local agency staff on-site, or information and referrals to such programs are provided. Most of the MWSCs are full service centers that have met the state’s “minimum standards” requirements. Each board is required by federal mandate to have at least one fully operational center.

The Michigan Works! Governance and Minimum Standards document adopted by the GWC in November 1999 (and revised two years later) established the criteria for One-Stop Career Center certification. Each center must:

- Provide core employer and job seeker services;

- Develop minimum required partnerships and provide on-site program services;
- Use the OSMIS for service delivery and accountability;
- Meet facility design requirements, including those in the Americans with Disabilities Act;
- Exhibit acceptable marketing and customer relations features, including the common brand/Michigan Works! logo; and
- Have self-service resource areas that are equipped with automated career, labor market, and other software or web-based tools, and printed resources.

Michigan has staffing arrangements that the federal government and other states and localities are likely to be following very closely. Michigan is a “demonstration state” in which Wagner-Peyser Act labor exchange and other services are provided by merit staff, but not necessarily “state” merit staff. The hybridized staffing arrangement in the career centers has a few unique features. As mentioned above, one or more contractors may provide services within workforce areas. Contractor public merit staff (e.g., community college staff, ISD staff) and regular staff deliver the array of programs and services, usually joined by regular state merit staff for veterans’ services, labor market information, and migrant and seasonal farm worker programs.¹⁷ Moreover, state Employment Services staff can compete for a local contract like any other recognized entity. State employment services staff won two contracts from 12 submissions this past year. Detroit is the most notable area where state employees were selected as the contractor for Wagner-Peyser Act labor exchange and other employment services.

A residual issue related to the staffing patterns involves wage and benefits equity between staff of public and private entities. As mentioned, the local staff is a hybridization of state agency/merit employees, other public merit system employees, and private contractor staff. Merit, longevity, and/or cost-of-living wage increases associated with public sector employees may contribute to rising labor costs in an era of declining resources; such wage enhancements may not exist for private contractors, whether for profit or not. Moreover, basic wages and benefit packages, including health care and holidays, may vary between public and private sector employees and between staff that perform similar functions. Additionally, there is potential tension between these public sector staff, many of whom are unionized, and contractor employees who are not unionized and may have less leverage in wage negotiations. While these were not pressing issues in the Michigan sites visited, they were mentioned with enough frequency to note their underlying presence.

The actual staffing arrangement in MWSCs is determined locally and conditioned by factors such as staff size, client flow, program caseloads, and the program service menu available on-site. Larger, busier offices are more prone to have “specialized” program staff, apart from the above-mentioned structurally specialized state staff. For example, two career advisors in a small office serving 50 to 75 clients a day (the Kalkaska Office in the Northwest Area) have more “generic” or cross-program abilities and split caseloads of WIA Adult or Dislocated Worker program clients, as well as Work

First clients. The remaining staffing is comprised of two full-time caseworkers, a part-time youth worker, itinerant veterans' services and other service workers, and a learning lab instructor. Larger offices like the Cedar Street/Lansing Office (400 to 500 clients per day, 65 various program staff and 4.5 interns) have enough volume to dedicate staff to specific programs. Even with specialization, the visited offices in Michigan nevertheless attempt to get all program/contract staff to rotate in the resource area for some share of their work week.

Staffing nomenclature for different functions and program affiliations also varies across sites and service provider organizations for service delivery staff. Each MWSC has similar functions to be performed and will have staff assigned to work in the resource area, employment counseling/job development, program services, business relations, assessment, workshops, welfare reform, etc. These will generally have function-related titles.¹⁸ However, "career advisors" in one area may be "program specialists" or "employment counselors" in another, when they present themselves to customers. Any of these may be more program specialized (e.g., Work First Career Advisor, WIA Career Advisor, etc.) or generic, again depending on local decision-making—board staff rationalize the titling for their area. Behind these titles may be another array of occupational titles indigenous to the staff person's employer, be that a state agency like MDCD that has assigned ESA staff to work in the MWSC or a contracting entity such as the Ingham ISD. It should also be pointed out that functions and program affiliations may be fused in different manners across sites; labor exchange is a good example.

Although labor exchange is a key function of contract services provided with Wagner-Peyser Act funds in the MWSCs, it is a function that may be performed by multiple staff. For the most part, Wagner-Peyser Act staff provide employment assistance in the resource areas, labor market information and job development/job placement services, as well as conduct workshops and events for employers and job seekers in the MWSCs. Staff affiliated with other programs who have direct client contact may also provide some form of labor exchange services, or they may direct clients to the employment specialist for assistance.

Michigan is also moving rapidly towards automated labor exchange through the Michigan Talent Bank.¹⁹ UI claimants are required to create a resume in the Michigan Talent Bank, which activates their work registrant status, as it does for non-claimants who use the automated labor exchange system.²⁰ There were more than 300,000 resumes and 220,000 job openings on the Michigan Talent Bank during FY 2001. In January 2003, there were more than 30,000 Michigan jobs, 90,000 additional jobs through links, and 600,000 resumes posted on the Michigan Talent Bank.

The Capital Area MWA sees labor exchange as its core service; employers are the customers and the function of the center is to provide the employees that match their needs.²¹ Almost all of the staff at the Lansing Office are involved in labor exchange, and the Capital Area MWA has pursued a massive marketing campaign (radio, print media, billboards) to support this effort. The effort has been so successful according to the CEO, that Michigan Works! has a higher name recognition among the public than Manpower,

Inc., by a margin of five to one. The *Lansing State Journal*, the largest daily newspaper in central Michigan, approached the Capital Area MWA about limited “co-branding” of its daily print and automated jobs classifieds as Jobs Works! in the Michigan Works! font.

The state has an extensive Michigan Works! billboard campaign. Beyond signaling the services available and promoting public recognition, the advertisements provide a 1-800 number that has a “bounce-back” capacity, i.e., calls to the number are automatically redirected to the MWSC closest to the ZIP code within which the call has originated. The Michigan Works! logo also has widespread recognition, and almost all of the offices visited were easy to locate.²²

B. Employer and Business Engagement

The Michigan system and WIA are structured to foster business engagement in workforce and economic development at both the state and local level through the offices and programs of the MDCE, the MWAs, and the state and local boards. In addition, the MEDC, formerly part of the Michigan Jobs Commission before separating in 1999, is a major force in business services.

The broadest net of employer engagement in the Michigan system is cast by the membership of the state WIB and local WDBs. Local WDBs have a business majority usually comprised of an array of small to large businesses and representation from the local economic development corporations. Local chambers of commerce have a limited organizational role. Although surveys and focus groups indicate that obtaining and retaining a skilled workforce is consistently the most important issue for Michigan employers, local chambers are generally established to address a broader range of business issues. Their organizational role is to submit nominations for consideration of private sector board member appointments, with the result of having active individual board members with standing in their community representing employers, not representing chambers of commerce.²³

At the local level, employer services and business engagement are locally configured, and, not surprisingly, varied. For example, the Capital Area’s Lansing Office has two full-time employment services staff assigned to be the primary point of contact between the centers and business, but also encourages “program staff” to maintain direct business contacts for marketing of services, as well as employment placements. Alternatively, the Northwest MWA has specialized business services staff who are almost the sole point of contact. They solicit the needs of local business and market available services, including tax credits. Program staff turn to them for job placement, on-the-job training, and work experience opportunities. On-the-job training contracts, a popular training approach for the Northwest MWA, are monitored by the business services representatives, not the career advisors responsible for WIA or other program services.

MWSCs are also regularly available to employers for job fairs, interviews, and other events designed to help them meet their needs. MWSC staff regularly invite

businesses to participate in topical seminars such as Americans with Disabilities Act compliance, hiring employees with special workplace needs, etc.

Businesses also place job orders and can search for employees on the Internet-based Michigan Talent Bank. There is a “help desk” link that can be accessed online or by phone, and staff are available to help employers efficiently use the Michigan Talent Bank. Although staff require the Employer Identification Number before providing access, no one has yet done an analysis of the types and size of employers using the Michigan Talent Bank. MDCD claims a 98 percent employer satisfaction rate with the website. Half of the survey respondents indicated that they had received qualified responses to their job order and 40 percent had hired someone out of the Michigan Talent Bank.

State and local spokespersons recognize that traditional and informal, office-based and telephone employer linkages remain important features of effective business engagement. For example, many small businesses have insufficient capacity to use automated services and the needs of casual employers are short term and direct. Interpersonal relations, not automated services, can better respond to these conditions. Moreover, labor market information alone is not responsive to short-term fluctuations in occupational and employment trends.

The MEDC is a public/private agency that serves to attract and retain business and expand economic growth. MEDC has been funded with combinations of the Michigan Strategic Fund (including Industrial Development Revenue Bonds and Community Development Block Grant funds), tobacco settlement dollars, and Wagner-Peyser Act (Section 7(b)(3)) Economic Development and Job Training funds (formerly JTPA 107a), as well as other public and private sector funding.²⁴ The corporate board and executive committee, comprised of influential corporate leaders appointed by the governors and representatives of local economic development corporations throughout the state, provide oversight and direction, respectively, to the chief executive officer and staff, which includes private sector employees, as well as state employment services staff assigned to the corporation.²⁵ Services include:

- Business services;
- Workforce development services;
- Site location services;
- Bottom line incentives;
- Financial service; and
- Regulatory assistance/business climate improvement.

MEDC assists new and ongoing businesses in the acquisition of effective training and retraining services supported by public resources as a major economic development tool. Account managers (global and local), workforce development specialists, and workforce analysts assigned to substate regions are the frontline contacts for direct

services. Grants are awarded in substate regions, and workforce development specialists may work closely with local WDB and MWA staff. Referrals in either direction are common and at times MEDC solicits a commitment of board resources. MEDC encourages business to use local labor exchange services and the Michigan Talent Bank or the high-tech focused Michigan Careers site, as well as the Michigan Recruitment Alliance (an effort to harvest the graduates of Michigan and other midwestern colleges and universities for employers in Michigan). MEDC also directs employers to the services of the Michigan Technical Education Centers (M-TECs), the Michigan Manufacturing Technology Center, and the Michigan Virtual University. An estimated 85 percent of the funding is spent on upgrading the skills of incumbent workers. A business that seeks support for incumbent worker training is required to provide a 25 percent in-kind or cash match. No match is required of new companies.

C. One-Stop Center Contracting and Cost Sharing

Michigan allows a two-year contracting cycle for WDBs. One-Stop Career Center/MWSC and service delivery contracts are competitively procured, and performance is a factor in the selection process. Reportedly, turnover among MWSC operators has been low, so the transition to new contractors has not been an issue of concern.²⁶ In both of the areas visited for this report, the ISDs and contractors have had longstanding relationships with the WDBs. Additionally, most of the board staff in these areas had direct delivery experience in the workforce and career development areas, which has facilitated positive working relations at the local level. Faith-based organizations are not widespread contractors, and there have been no notable events associated with large, private, non-profits operating career centers or providing core and intensive services.

Section VI. Services and Participation

The broad partnerships affiliated with the MWSCs indicate that the system has the capacity to provide helpful services to almost the entire spectrum of future, current, unemployed, and disadvantaged workers. Core universal services are available for all customers, and procedures are in place for moving individuals through more intensive services and training. “Career” is the distinguishing term in the Michigan system. Services are available on-site or by referral for all job seekers, including:

- Unemployed individuals;
- Incumbent workers;
- In-school youth/out-of-school;
- Adults with little or no work experience;
- Dislocated workers;
- Individuals with disabilities;
- Welfare recipients; and

- Former welfare recipients and low-wage workers.

Table 2 in Appendix B²⁷ presents the participation patterns for WIA Title I and other programs administered by the Office of Workforce Development. The table suggests that the largest client group served through the MWSCs last year were the 165,000 individuals in the TANF Work First Program. This understates the number and range of individuals actually served by the system. The Michigan Works! Association reported that nearly 2.3 million individuals used some form of service at the MWSCs.²⁸ Additionally, the same report counted more than 450,000 unique visitors to the Michigan Talent Freeway, along with the aforementioned 300,000 resumes and 220,000 job openings on the Michigan Talent Bank for FY 2001.

Site visit tabulations of the computer-based services and the actual OSMIS data collected on program participants are common sources of utilization rates that may be supplemented by several procedures to measure daily flow and service usage in the MWSCs. These include:

- Electronic counters that measure entries and exits from MWSCs (adjusted for staff and other entries/exits);
- Sign-in sheets; and
- Scannable bubble surveys that list the range of services and activities available.

While these reveal little about the characteristics of individual users, they may provide relatively good estimates of the gross numbers of individuals and the types of services that are sought and being used in the MWSCs.

Walk-in volume and client flow varies by office and substate area, again conditioned by several factors including space, location, staffing configuration, market penetration, and services/programs available on-site or by referral. For example, the Capital Area MWA's Lansing office, with its enhanced focus on marketing and labor exchange, places extraordinary reliance on self-assisted services. Individuals entering the office are engulfed in the resource area with some 36 workstations and supporting materials. The receptionist is located a bit more than halfway into the building. A program specialist or intern may approach those who appear to need assistance, and either direct them to the receptionist or appropriate program staff or give them a quick orientation to the center and help them use the resource area. As they move into staff-assisted services, clients will be registered on the employment services system.

Alternatively, the Northwest MWA asserts that there really is no true "self-assisted" services, that staff should be readily available to help individuals effectively access the services available. Clients will often be met by a greeter and referred to the reception desk.²⁹ At reception, they will be encouraged to sign in and provide preliminary registration information for access to the resource area and staff assistance. Career advisors interview and assess appropriateness of individual program services by appointment. The expenditure patterns discussed earlier reinforce the primacy of up-

front client contact for the Northwest MWA, which spent more than half of its WIA funds on core services. (See Appendix B, Table 3.)

The Michigan Talent Bank requires registration to submit a resume and receive referrals for job openings. Registration is also required of employers to search resumes or to list job openings. Basic employment services registration information includes name, contact information, and veteran status.

Throughout Michigan, individuals move from core to intensive and training services sequentially. For this process, Michigan has articulated no separate state policy regarding federal WIA registration. Individuals should become WIA registrants when they move from universal/core to staff-assisted/mediated services. In practice, the state has not acted strongly on service sequencing and registration is determined at the local level. Registration appears to be somewhat manipulated because of concerns with performance expectations. Individuals who may be eligible for WIA can also be served as Wagner-Peyser Act clients through most intensive services. (See Appendix A, Figure 3.) This gives staff time to assess whether an individual is a good employment prospect before WIA registration. It also gives staff a sense of whether an individual would benefit from WIA training, particularly with an ITA.

In addition to signing an occupational training agreement, clients who want to receive training through an ITA usually must exhibit that the training is appropriate to their career prospects and abilities, that the provider is listed on the Career Education Consumer Report, and that there are truly jobs available for the occupation and industry for which they desire employment. The Northwest MWA has gone further and requires that those who seek ITA-funded training must complete a detailed checklist prior to approval by their WIA career advisor. Among other requirements, prospective trainees must visit with the employer, talk to current workers, understand the nature of the training and the labor market, visit with the training provider or educational advisor, and apply for a Pell Grant (if appropriate).

As mentioned earlier, the actual use of ITAs varies by WDB boards; access to on-the-job training and customized training varies as well. Boards may pay up to one-half of the cost of on-the-job training for employers who offer clear pathways to unsubsidized employment after the training period. One creative career advisor occasionally writes into the on-the-job training contract that the employer will provide access to at least one recognized, external training opportunity during the subsidized period to reinforce the quality of the on-the-job training. This could also circumvent restrictions to training vendors who may not be on the eligible provider list.

Customized training, a particularly valuable option for incumbent workers, is not widely accessible. The M-TEC facilities are a viable resource for providing such training that have not yet met their full potential across the state. Despite some success working with manufacturing and other industry associations, including clusters of building trades contractors, many employers are reportedly reluctant to pay their share of training costs, a condition which may have been exacerbated by the flailing economy. Although the benefits of incumbent training are recognized across the workforce, community college,

and economic development subsystems, marketing of these services is not often well coordinated and, in some areas, remains fragmented.

Section VII. Market Mechanisms: Their Use and Effects

A. Labor Market Information

Michigan has long believed in a strong state role for providing labor market information that helps job seekers and business make informed choices about education and training opportunities, occupational trends, labor force characteristics, and other types of information. The Office of Labor Market Information (OLMI) in the ESA section of MDCD is responsible for the collection, analysis, and distribution of state labor market information. In print and electronic form, OLMI provides employment and unemployment data, economic development and planning information, industry and occupational estimates and forecasts, wage information, and social, as well as demographic information. Most of the information is collected and developed by OLMI as part of the federal/state cooperative data programs with U.S. DOL's Bureau of Labor Statistics and the Employment and Training Administration.

Regional OLMI staff work closely with local boards and substate planners. These field staff provide training seminars, presentations, technical assistance, and information to MWA staff, business, and the general population. OLMI's website (www.michlmi.org) provides direct access to labor market information and reports. OLMI supports the Michigan Talent Freeway and produces several analyses of occupational and educational attributes of job applicants in the Michigan Talent Bank. For example, job applicant occupational and educational profiles can be viewed by state or workforce areas. County and regional data support local strategic planning for WIA.

Michigan's labor market information system could be characterized as exemplary by national standards, but nevertheless suffers the same limitations found in federal/state data programs. As MDCD explains, these data programs were intended to provide more macro level and longer term information for major labor market areas rather than firm, specific, more geographically defined areas and shorter time horizons. Forecasts and trends often overlook dramatic downturns or very immediate opportunities that occur locally, such as a plant closing or the bottom falling out of an industry (e.g., the semiconductor industry). Some occupational forecasts are dominated by structural features of the economy such as the seasonal hospitality and other service industry employment in the Traverse Bay Area, and simply mirror the obvious to local employment professionals.

Michigan recognizes these limitations, and MWA staff and board members are working to overcome them by maintaining direct personal contact and presence in a wide variety of forums to stay in touch with local labor market conditions. Business service specialists and career advisors are diligent about staying abreast of local shortages and opportunities, whether dealing with large corporate firms or small local businesses with short-term needs. A very promising prospect for the Michigan labor market information

system is its intention to move towards filling these apparent data gaps by developing occupational supply/demand data and analysis based on skill sets; more current and local wage information; continuation of monthly industry estimates for small labor market areas; and industry employment and payroll information for more locally defined geographic areas.

B. Individual Training Accounts and Provider Certification

There were an estimated 3,000 ITAs authorized in PY 2001 and approximately 3,600 eligible training providers on the state's Career Education Consumer Report (CECR) system.³⁰ There is differential use of ITAs across workforce areas, and access is influenced by several factors. For example, the Capital Area MWA's concentration on labor exchange makes ITAs less relevant, and few resources are made available for them.³¹ Staff occasionally cited tensions between core/intensive allocations and limited residual funding for actual training, concerns for performance accountability, or difficulties with regard to the eligible training provider list as factors that limited the use of ITAs. The latter factor usually involved instances where an entity received so few referrals or offered a course so infrequently that the certification process was not cost effective. Reportedly, the community colleges balked at the certification process initially, but have since become more willing participants.

The Office of Workforce Development at MDCD has built an extensive web-based CECR that exceeds WIA requirements and encompasses not only WIA eligible providers, but also a comprehensive set of postsecondary education and training providers. The intent from the beginning was to develop a useful, accurate, and accessible database about education and training options for the entire general public. Among several search options, CECR contains a linked file that includes only certified ITA providers. Provider information includes course description, location, costs, certification, and course length, as well as completion rates, employment entry rates, and possibly, wage at entry rates. At the suggestion of the Michigan Works! Association, MDCD contracted with a private vendor for technical assistance with the certification process for ITAs. Providers are placed on a statewide list.

Michigan had already implemented a consumer-oriented voucher process for work-related education and training prior to WIA, so adaptation to WIA provisions was not difficult. What many spokespersons were concerned with was the actual provision of training in the post-JTPA environment. Although the provision of universal services and service sequencing were rarely cited as barriers, they were frequently associated with the consensus that U.S. DOL had set a "work first" tone to service delivery during initial implementation.

The cap for ITAs is determined at the local board level and usually ranges between \$1,000 and \$3,000 per year for individuals whose income is 70 percent of the Lower Living Standard Income Level and who meet other local requirements, such as the ITA checklist. Staff anecdotally report that many providers have packaged services at the ITA cap for their local board.

C. Performance Standards and Incentives

MDCD has established core performance measures for nearly every program under its administrative umbrella, as well as broad system measures known as the Career Development System Indicators. For WIA, the state prepares monthly, quarterly, and annual reports derived from the OSMIS that present outcomes for the 17 required federal measures.³² Similar reports regarding adult education, postsecondary education, welfare-related programs, vocational rehabilitation and career technology education, as well as employment services and veterans' programs, are also prepared at regular intervals.³³ The array of core indicators and performance management reports are meant to drive an effective and continually improving career development system.

WIA state performance measures are linked to incentives for the attainment of negotiated standards for WIA Title I, Title II Adult Education, and Perkins Postsecondary Vocational Education. Michigan received a \$3 million performance bonus for achieving those standards in PY 2000, its first year of WIA. At least from the Title I side of the equation, it is uncertain whether the incentives drove behavior and whether the data that supports the measures is a reliable indicator of positive program outcomes.³⁴

All of the bonus remained in the workforce system. All 25 MWAs were awarded by formula \$1.9 million to support local incumbent worker training programs. The Michigan Virtual University was awarded \$1 million through the Capital Area MWA to assist in the design and implementation of a web-based training program specifically to benefit employees of the automobile industry. The state reserved \$100,000 for state administration of these funds and programs.³⁵

The actual setting of the performance standards was somewhat shrouded in mystery. Rather than “negotiate” standards, many spokespersons indicated that the regional U.S. DOL had predetermined the acceptable range for each measure prior to consultation with the state. The state in turn adjusted these standards through negotiations with WDBs.³⁶ To meet their goal, WDBs had to achieve at least 80 percent of the standard for the 17 measures. To exceed their goal, they had to achieve 100 percent of the standard. Those with less than 80 percent did not meet their goal.³⁷

The Michigan Works! Association, which serves as the statewide contractor for WIA technical assistance and training, conducted workshops on WIA design and performance measures for over 700 workforce professionals. One suggestion was to exit the participant at the end of the quarter to increase the chances of favorable retention at the two-quarter follow-up. Several other procedures have emerged that modify service delivery behaviors to meet performance objectives, some of which are also related to the reliance on UI wage data for performance measurement. Although these are not universal—several informants (mostly more tenured staff) paid little heed to measures and concentrated efforts on providing the best services available and appropriate to the client—they were readily enough observable to raise concerns.³⁸ These behaviors include:

- Withholding WIA registration unless a client appears more likely to enter and retain employment. Core and intensive services can be provided under the Wagner-Peyser Act,³⁹
- Reluctance to serve unemployed or dislocated workers with prior high wages that are unlikely to be replaced;
- Propensity to serve unemployed or dislocated persons who have had little or no wage earnings in the previous two quarters; and
- Avoiding “soft exits” and keeping cases open by reporting nonsubstantive activities.⁴⁰

Staff also expressed concerns about many other features of WIA performance measurement such as:

- Time lags with UI wage data made it useless as a performance management tool. Being held accountable for events in the distant past was not well received;
- The standard for employment entry for older youth was unrealistic given that many were not ready for semi-permanent employment. Many youth are also highly mobile and are difficult to track; some even leave the state and will not be found in the state UI wage database; and
- Agricultural, military, education, and other common employment options for Michigan residents are not covered in the UI wage data.

MWSC administrators and staff do not have direct access to UI wage data, which is strictly controlled under state confidentiality laws. Staff cannot check the system to review the employment status of clients, nor can they use the data to run detailed reports for immediate management purposes. The OSMIS does permit career advisors and others to enter manually verified follow-up data, but the state does not require this. Reportedly, a few areas strongly encourage this as a tool for supporting retention and advancement, but others have begun to rely solely on the UI-based state performance reports.

Michigan has recently embarked upon an effort to track Career Development System Indicators, which give a global portrait of the relative accomplishments of the efforts being orchestrated by MDCD, the MWAs, and the local partnerships. MDCD introduced these indicators as part of the PY 2001 planning process and published its first report in March 2002. The system has a Customer Satisfaction Index and a Career Development Index, each of which has a series of components (e.g., job seeker and client satisfaction; workforce, postsecondary, adults with disabilities success). Each component, in turn, has a series of measures imbedded. Baseline standards were established for some measures in the first year; others already existed. The model is straightforward and provides a snapshot of progress that translates well into the vernacular.

Section VIII. Information Technologies in the One-Stop Career Centers

As early as 1990 Michigan had begun experimenting with the innovative use of technology for employment and training purposes. The Michigan Opportunity System envisioned a network of automated kiosks providing information about education, training, employment, and other information. Individuals could use their Michigan Opportunity Card, a “smart card” that contained personal information concerning eligibility and certification for resources—an account—that they could use to enroll and pay for services they selected. Collaborating human resource providers in substate areas were to be linked through local area networks across which they could share client level information. In retrospect, most who had participated in this effort agree that the Opportunity System was ahead of its time and technical capacity. Fortunately, technological advancements have made such functions viable, and Michigan has made notable advances in the use of information technologies in its career development system.

The Michigan OSMIS has replaced the disparate substate systems and provides state and local capacity to share information across the programs affiliated with the MWSCs. The Internet has provided a platform for access to a seemingly endless array of information regarding employment, training, education, and ancillary career-related resources. MDCD has opened the Michigan Talent Freeway as the main web portal through which other electronic services and software can be accessed, including the Michigan Talent Bank, the Michigan Virtual University, and the One-Stop Labor Market Information database. State officials can count the number of unique users of the Freeway, as well as the number of resumes posted and jobs filed. They have not estimated the relationship between the expansion of Internet services and the level of client flow through the MWSCs.⁴¹

The Michigan Virtual University is another statewide project attributed to the vision of Governor Engler. Michigan Virtual University is a private, non-profit Michigan corporation established in 1998 to deliver online education and training opportunities to the Michigan workforce. It brokers curricula of colleges, universities, and proprietary corporate training entities that are targeted to students, workers, business, and educators. The university offers no certificates or degrees itself, but facilitates completion and certification that are bestowed by the program source school. It was started by a state grant, and continues operation with revenue from its brokering services and a grant from the state strategic fund. Michigan viewed this as an investment in the future that would cut costs for employers and help to develop and continually improve workers’ knowledge and skills.

One component of the Michigan Virtual University is the Business e-education Freeway (BeeFreeway), created to help meet the training needs of Michigan small businesses. Through its website, BeeFreeway offers some 1,300 self-paced employee training modules cost-free to small businesses with 25 or fewer employees. Larger firms can purchase training through the normal channels of the virtual freeway. BeeFreeway course matter includes management and office skills, as well as advanced technical skills.

Under WIA, Michigan has broadened the range of available electronic resources and made them universally accessible through the public resource areas at the MWSCs and at satellite stations throughout the state. A great deal of effort has been directed towards making these computer-based resources available to audio and visually impaired, as well as others with physical challenges or language deficiencies. Staff assigned to or on rotation in the resource areas are available to help those with few or no computer skills, as well as to conduct regularly scheduled, basic workshops.

Section IX. Summary Observations and Reauthorization Issues of Special Concern

Michigan has long pursued “big picture” vision of a comprehensive workforce development system, and since 1999 with the forming of the MDCD, has expanded that vision to embrace the broader notion of “career development” for all present and potential workers, the viability and growth prospects of Michigan employers, and the enhancement of the quality of life for Michigan communities. WIA has increased the capacity of the state to follow this vision by supporting statewide efforts to strengthen and grow its One-Stop Career Center network, to attract more community partners, to improve the breadth and depth of job seeker services, to enhance business services, to increase private sector participation, and to provide state technical assistance.

WIA has also allowed Michigan to continue the devolution of career development service delivery to the MWAs. Local leaders and practitioners are using the enhanced autonomy to pursue various approaches, as exhibited by the prevalence of labor exchange as the central force in the Capital Area and a greater emphasis on education and training in the Northwest Area. This substate variation and the accomplishments of these two MWAs indicate that there is more than one successful pathway to quality outcomes for job seekers and employers. WIA reauthorization should be careful not to over-prescribe and limit state and local innovation.

Presently, WIA provisions sometimes confound the efforts of a state that envisions itself as an innovator in career development. These include inappropriate WIA performance measures, the continuation of federal silo funding and reporting requirements, and the over-stipulation of the composition of the boards. Collectively, these inhibit effective management and system development, and constrain more active private sector participation and local options for innovation.

Yet not all constraints are solely federal. The variably perceived missions of some WIA partners may impede further system development. Although community colleges, adult education, and secondary education entities are working well at the local level because of the close relations between EAGs and the boards, more can be done to ameliorate the ideational conflict between academic and vocation/career preparation at all levels of education, and tighten the connections between education and workforce development at all levels of governance. As one workforce director stated, “Unless you get education to the table, you’ll be throwing money into a black hole.” At the state level, there is widespread belief that relations will remain somewhat tense because of

divergent positions regarding “education” and “career preparation,” and that this condition will likely remain unless there is strong signaling and action taken at the federal level between the U.S. Departments of Labor and Education.

State leaders, while recognizing the progress made between vocational rehabilitation and the workforce system at the state and local level, also recognize the challenges associated with program missions and service delivery practices. As MDCD administrators noted:

Without a change in federal legislation, vocational rehabilitation will always have as its mission the employment of people with disabilities utilizing an approach emphasizing self-determination and customized services. This approach fits well with some variations of Michigan’s WIA system and less well with others. In other words, there seems to be more variation in the practice of One-Stop systems than there is in vocational rehabilitation. The key area affecting compatibility with vocational rehabilitation’s federally mandated mission and methods are differences within One-Stops emphasizing customized services and training versus self-service and nonindividualized approaches.⁴²

Additional challenges remaining for the MWAs include: improving the skills sets of incumbent workers; fuller use of the M-TECs; developing a stronger education to career pipeline; enhancing the flexibility of funding and service delivery; improving the quality of Board members’ commitment; and managing costs for the One-Stop Career Centers. Michigan has already begun to work on several of these. For example, PY 2002 was the first year that funding was specifically allocated to the MWAs and the MWSC system to support incumbent worker training programs. This funding included \$2 million of WIA statewide activities funds and \$1.9 million (of the \$3 million received) in WIA incentive funds.

In addition to problems with WIA Older Youth Employment measures and wages not covered by UI, state and local staff articulated several other concerns regarding the WIA performance accountability system. Among these concerns are:

- Substantial delays and underreporting of positive outcomes in UI quarterly wage data that inhibit program management capacity and continuous improvement efforts;
- Separate performance measures for adult, dislocated workers, and older youth that are redundant, cumbersome, and ignore system accomplishments;
- The influence of using pre-registration earnings to measure wage change and replacement rate on the delivery of services to individuals separated from high-wage jobs.

Recommendations regarding WIA amendments include:

- Modifying the act to allow states to use administrative, survey, or wage records data to determine status at the time of exit, and quarterly wage records or survey data to determine earnings and retention at six and 12 month intervals after employment entry; and
- Introducing more systemic measures by combining adult, dislocated worker, and older youth outcomes for employment rate at exit, retention, post-program earnings, and the employment and credential rate at exit.

The act needs to clarify when to register individuals as WIA clients and when to exit them. Additionally, a clear and standard definition of what constitutes a “credential” should be promulgated. Although front-line staff are not equally concerned across substate areas with “getting the numbers,” there is evidence of enough variation in reporting behavior to raise concerns about the comparability of outcomes across offices and substate areas, and, by extension, across states in the federal system.

Some spokespersons also challenged the utility of performance information required of eligible training providers. Beyond the identified shortcomings of quarterly wage data that many providers have no experience accessing, wage data is strictly controlled in accordance with Michigan state law. Additionally, community colleges and other providers have no information regarding whether a person who completed an individual training class later received a certificate or degree from another entity. Similarly, several individuals also challenged the requirement that eligible providers submit follow-up data on all enrollees, citing that it is not cost effective for providers who serve only small numbers (or possibly none at all) to amass and report this information.

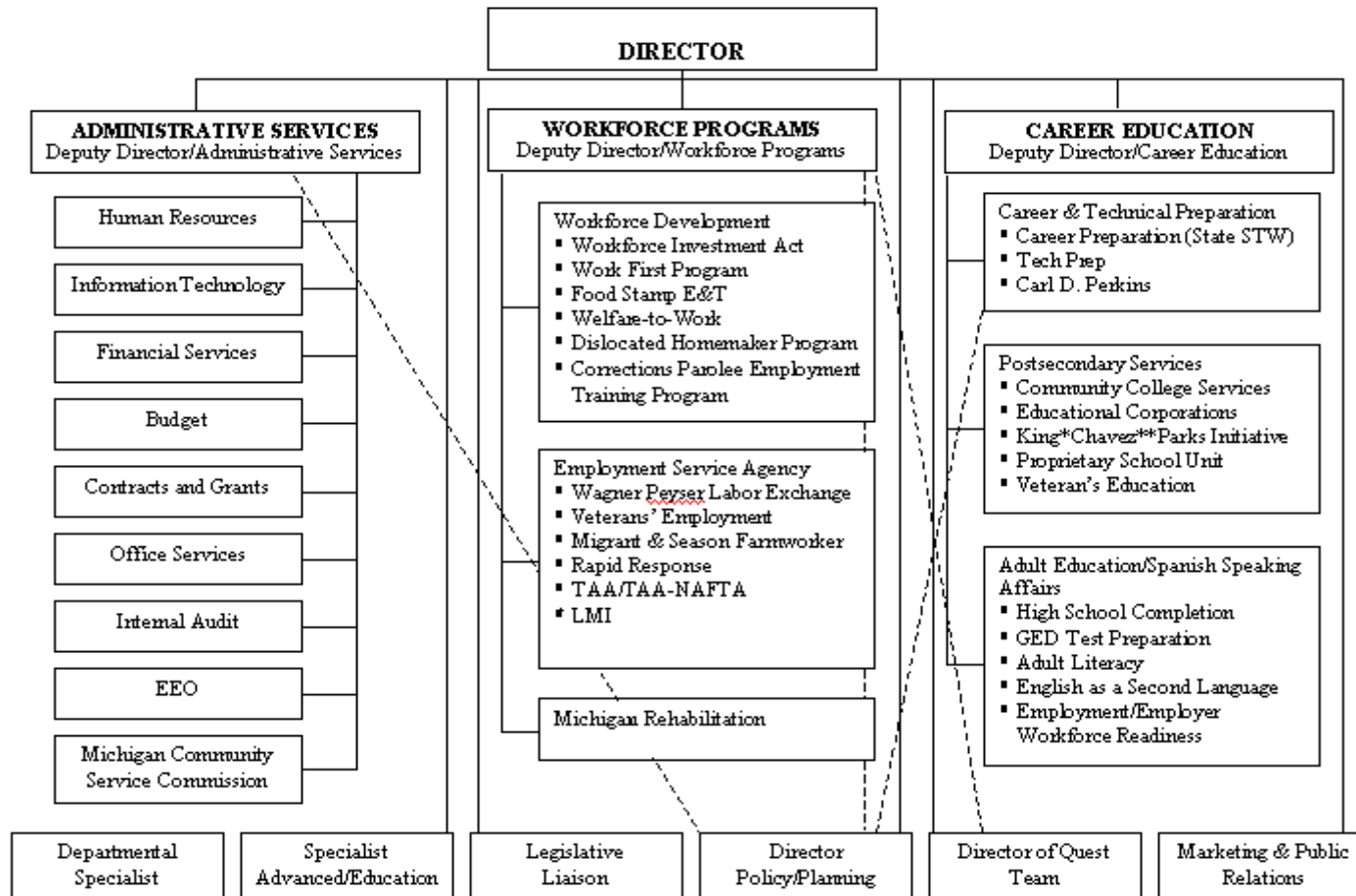
There is also broad-based advocacy for more flexibility to change WDB composition. Rather than the current requirement that boards have representatives of each of the One-Stop Career Center partners (should they relinquish their grandfather status), Michigan would prefer that states could designate an alternative menu of representation in their state and local plans.

Acronyms (all refer to Michigan state or local entities, unless otherwise indicated)

CECR	Career Education Consumer Report
EAG	Education Advisory Group
ESA	Employment Service Agency
ISD	Intermediate School District
GWC	Governor's Workforce Commission
MDCD	Michigan Department of Career Development
MEDC	Michigan Economic Development Corporation
M-TEC	Michigan Technical Education Center
MWA	Michigan Works! Agency
MWIB	Michigan Workforce Investment Board
MWSC	Michigan Works! Service Center
OLMI	Office of Labor Market Information
OSMIS	One-Stop Management Information System
OWD	Office of Workforce Development
WDB	Workforce Development Board (equivalent to local Workforce Investment Boards)

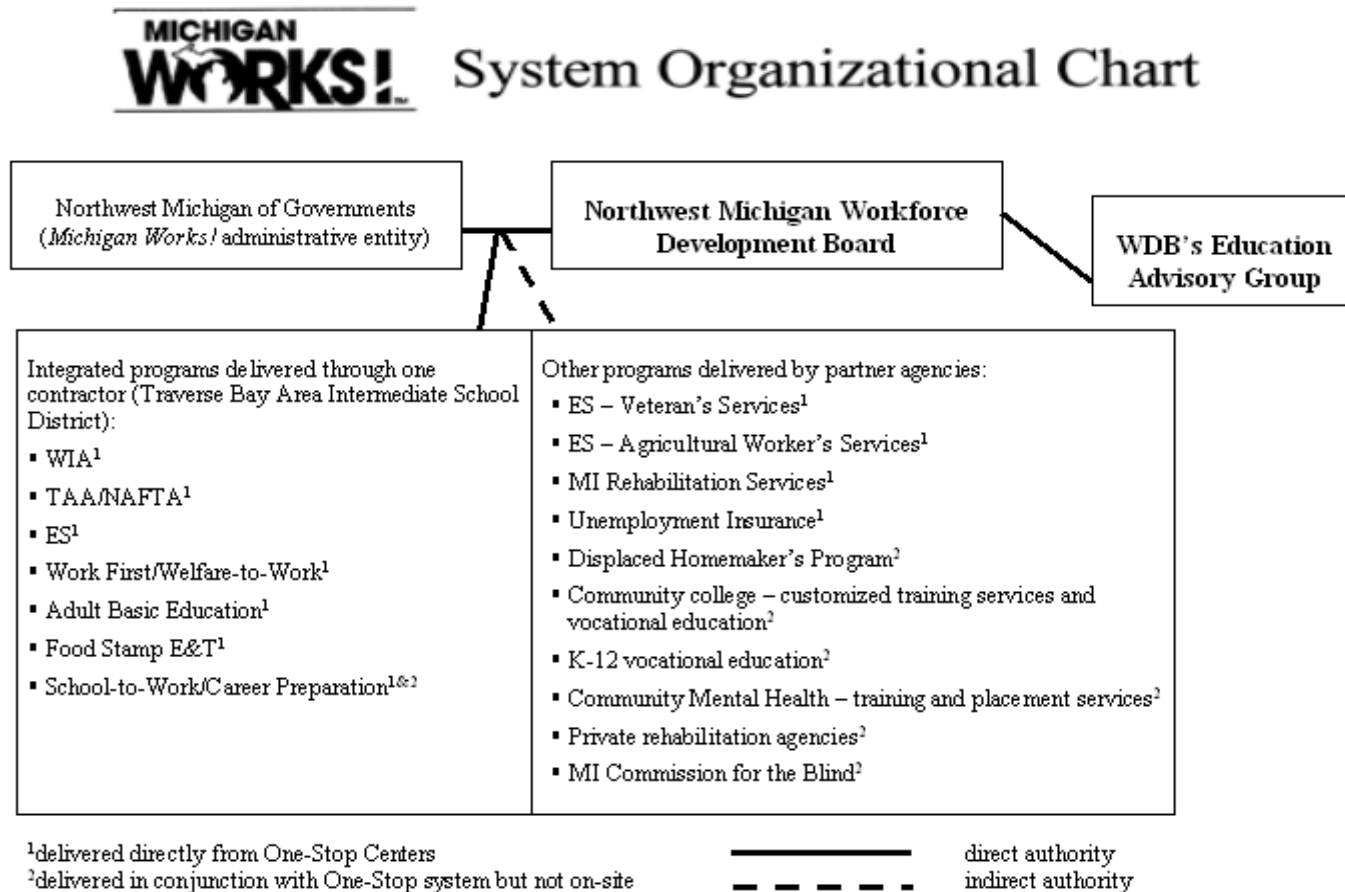
APPENDIX A

Figure 1: Michigan Department of Career Development



APPENDIX A

Figure 2: Northwest MWA Programs and Services



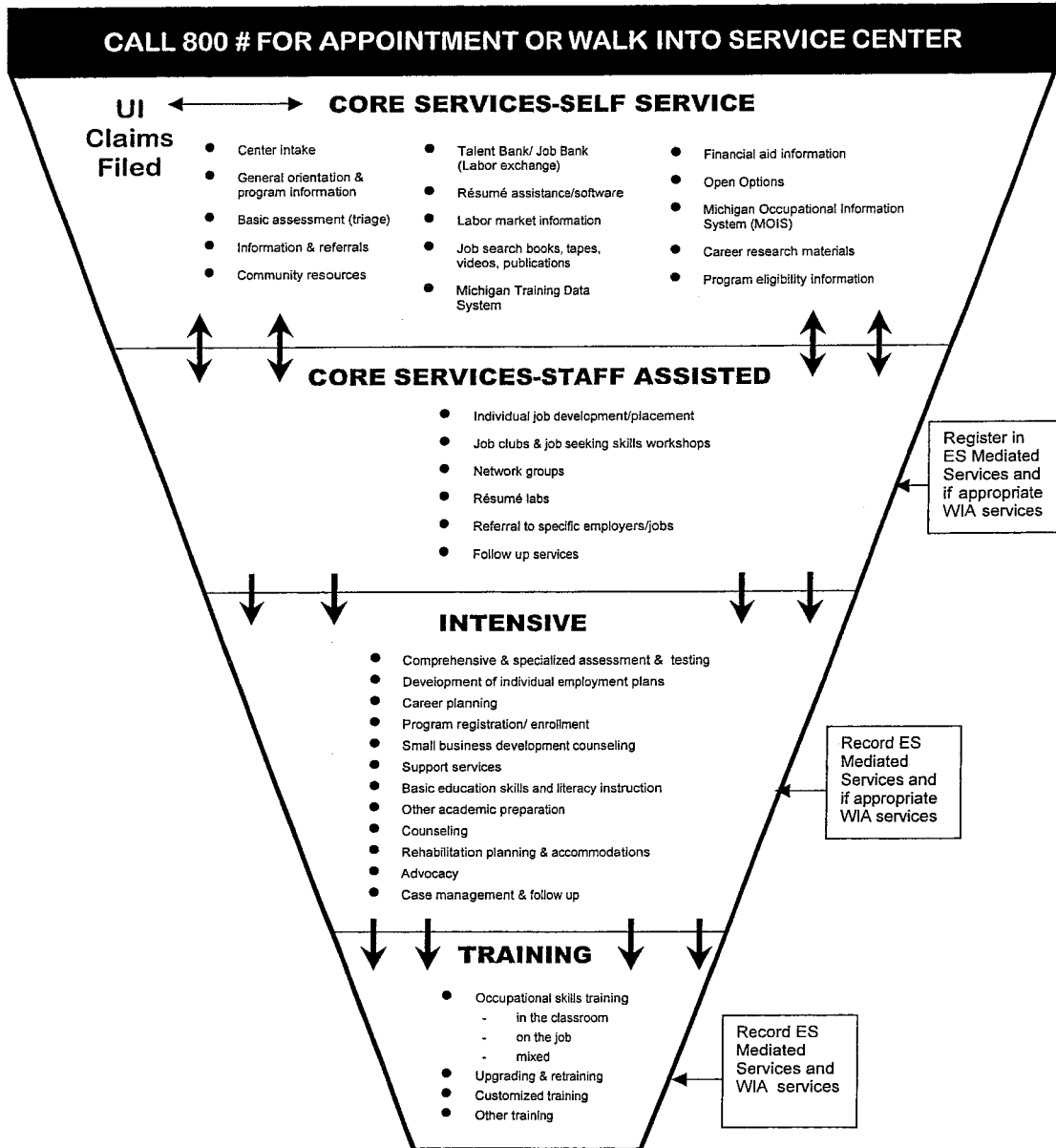
Source : Northwest Michigan System Organizational Chart, September 2001.

APPENDIX A

Figure 3: Service Center Operations



Service Center Operations



APPENDIX B

Table 1: Michigan PY2001 Workforce Development Program Matrix & Linkages

Program/Funding Stream	One-Stop Presence	Funding Source	Lead State Agency	Local Administrative Entity	State Agreement Mechanism	Local Agreement Mechanism
WIA Title I Adults	1	FED	MDCD	WIB		MOU
WIA Title I Dislocated Workers	1	FED	MDCD	WIB		MOU
WIA Title I Youth (19-21)	1, 2	FED	MDCD	WIB		MOU
WIA Title I Youth (14-18)	1, 2	FED	MDCD	WIB		MOU
Wagner-Peyser ES	1	FED	MDCD	WIB		MOU
Job Corps	3	FED	NA			MOU
TANF Work Program	1, 2	FED	FIA	WIB		MOU
TAA/NAFTA TAA	1	FED	MDCD	ESA		MOU
Veterans' Employment	1	FED	MDCD	ESA		MOU
Food Stamp E&T	1	FED STATE	FIA	WIB		MOU
WtW Formula	1	STATE FED	MDCD	WIB		MOU
Corrections	1, 2	STATE FED	-	CBO	-	MOU
WIA Title II Adult Education	1, 2	FED	MDCD	WIB		MOU
Perkins Vocational Education	2, 3	FED	MDCD	Local Ed Agencies		MOU
WIA Title IV Vocational Rehabilitation	1, 2	FED	MDCD	Michigan Rehabilitation Services		MOU
Older Americans Title V	2, 3	FED	MDCH	Area Agency on the Aging		MOU
Youth Opportunity Grants	3	FED	NA			MOU
School-to-Career	3	STATE FED	MDCD	Local Ed Agencies	-	MOU
Tech Prep	3	FED STATE	MDCD	Local Ed Agencies		MOU
Other/ UI	1, 2, 3	FED STATE	Consumer & Industry Services	Consumer & Industry Services	-	MOU
Other/CSBG E&T	2, 3	FED	MEDC	MEDC Account Managers	Interagency Agreements	MOU
Other/EDJT	2, 3	FED STATE	MEDC	MEDC Account Managers	Interagency Agreements	MOU

Source: MDCD, CAMW, NWMW and RMC field observations.

Abbreviations:

FED Federal
MDCD Michigan Department of Career Development
MEDC Michigan Economic Development Corporation
FIA Family Independence Agency
MDCH Michigan Department of Community Health
NA Not Applicable

Definitions/Coding:

One-Stop Career Center presence: 1) co-located at the One-Stop Career Center; 2) accessed through One-Stop Career Center referral; 3) information only provided; or 4) completely disconnected.

Funding source: Federal, State or Local government, or Other.

Lead state agency: Agency with primary state administrative responsibility

Local administrative entity: The local government (county or city) agency, local office of state agency, WIB, CBO, or other (specify) entity with primary responsibility for administering funds.

State agreement mechanism: The type of formal arrangement(s) connecting the entity, funds, and services to the WIA system at the state level, including one or more of the following: part of a unified state plan (USF), contract (C), non-financial interagency agreement (NFA), memorandum of understanding (MOU), or other arrangement (Other).

Local agreement mechanism: The type of formal arrangement(s) connecting the entity, funds, and services to the WIA system at the local level, including one or more of the following mechanisms: part of a local operating plan (LOP), contract (C), non-financial interagency agreement (NFA), memorandum of understanding (MOU), or other arrangement (Other).

APPENDIX B

Table 2: PY 2000 Michigan WIA and Career Development Participation Patterns

FUNDING STREAM	Total	Core	Intensive	Training
WORKFORCE TOTAL				
WIA Title I Adults	7,528	824	731	5,804
WIA Title I Dislocated Workers	5,179	412	610	4,012
WIA Title I Youth (14-18)	6,377			
WIA Title I Youth (19-21)	1,363			
WIA Title I Subtotal	20,447	1,236	1,341	9,816
TANF Work Program*	165,000			
Food Stamp E&T*	4,769			
WtW Formula Grants*	9,863			
Corrections*	1,264			

Source: MDCD Reporting and Monitoring Division. **Explanatory notes:** *Data for FY 2001

APPENDIX B

Table 3. PY 2000 Michigan and Select Substate WIA Expenditures and Service Strategy Distribution

FUNDING STREAM	State of Michigan				Capital Area Michigan Works!				Northwest Michigan Works!			
WIA Title I Adults	\$26,012,524		36%		\$657,227		43%		\$1,271,652		34%	
WIA Title I Dislocated Workers	\$19,730,173		28%		\$360,343		24%		\$1,191,342		32%	
WIA Title I Youth (14-21)	\$25,779,461		36%		\$515,266		34%		\$1,281,622		34%	
WIA Title I Subtotal	\$71,522,158		100%		\$1,532,836		100%		\$3,744,526		100%	
	WIA Title I Adults*		WIA Title I Dislocated Workers*		WIA Title I Adults*		WIA Title I Dislocated Workers*		WIA Title I Adults*		WIA Title I Dislocated Workers*	
Core Services	\$7,674,073	36%	\$5,573,712	36%	\$206,910	35%	0	0	\$606,382	56%	\$565,724	51%
Intensive Services	\$5,232,357	25%	\$3,531,865	23%	\$231,535	39%	\$157,981	51%	\$137,804	13%	\$133,735	12%
Training	\$8,350,492	39%	\$6,539,868	42%	\$155,184	26%	\$150,826	49%	\$346,535	32%	\$412,263	37%

Source: MDCD Reporting and Monitoring Division. **Explanatory Notes:** *Excludes administration and includes JTPA carry-in.

Notes

¹ Automation technology available fell short of expectations and the Michigan Opportunity System was dismantled; a change in administrations redirected efforts.

² Training and Individual Training Accounts (ITAs) have been available to WIA Title I Dislocated Workers.

³ The number of MWSCs is between 98 and 105 at any given time. In January 2003, there were 104.

⁴ There was some legislative and political interest to codify workforce system changes late in the Engler administration, but reportedly ample enough resistance from those opposed to the current structures, particularly the residence of work-related education in MDCD rather than the Department of Education, precluded such efforts.

⁵ Alternative explanations were offered by other informants. Some suggested he did so as a last wave of political appointments to loyal supporters; one thought it might be a “gift” for his successor (Democrat) to unwrap.

⁶ Staff first checked with U.S. DOL before reorganization to insure that changing the composition of the state WIB would not affect the “grandfather” status of the local boards.

⁷ The Governor retains 15 percent of the WIA Adult money for statewide projects (e.g., training provider certification, technical assistance, One-Stop Career Center operations, etc.) and for supplemental allocations for areas with dramatic shifts in client demand.

⁸ The Northwest Michigan Council of Governments is the local elected official representative and grant recipient for the ten-county Northwest Area. Its personnel serve as the Northwest Michigan Works! Agency that staffs the WDB, and oversees service delivery provided by the Traverse Bay Area Intermediate School District, its primary contractor and other component of the MWA. The Tri-County Consortium—a.k.a., the administrative board and grant recipient for the Capital Area—is comprised of the twelve elected officials of the five political units of Ingham, Eaton, and Clinton Counties, and the cities of Lansing and East Lansing. The consortium appoints the WDB. The chief executive officer and staff of the Capital Area Michigan Works! Agency (who are employees of the administrative board) serve the WDB and administer the workforce programs through multiple contractors in the MWSCs; collectively, they comprise the Capital Area Michigan Works! Agency.

⁹ The term “career development” casts a much broader net than workforce development, and may help to diffuse tension between the sometimes more narrowly perceived preparation for employment and the more broadly conceived mission of the “academy.”

¹⁰ Wagner-Peyser Act labor exchange is contracted to public merit staff locally. Labor market information, Veteran’s Services, Agricultural Workers Services, and other Employment Service Agency programs are provided by state staff assigned to local offices or areas.

¹¹ Faith-based organizations are not prominent providers. The Human Resource Development Institute of the state AFL-CIO is the largest dislocated worker contractor in Michigan.

¹² The provision of basic computer training also serves as a recruitment tool for these for-profits for individuals who may or may not be eligible for public training assistance.

¹³ WIA is 100 percent federally funded, whereas three to five percent of the community college funding is federal; the remainder is local and state.

¹⁴ Because of perceived WIA training funding constraints, ITA eligibility is reserved for those at 70 percent of the Lower Living Standard Income Level, the statewide acknowledged “self-sufficiency” standard.

¹⁵ Northwest MWA also expressed concern about paying for the cost of space in the MWSCs previously occupied or soon to be vacated by the Unemployment Assistance units, which are withdrawing from the offices as the state completes its conversion to call centers for UI claims.

¹⁶ Local staff suggested that the U.S. DOL allocation formula was not useful, some going so far as to say it would absorb their administration budget just to decipher, set up, and use it.

¹⁷ All Veterans’ Services staff in MWSCs are state employees (as required by federal law), and 16 or 17 migrant and seasonal farmworker employment services staff work out of service centers distributed across the state. Veterans’ Services staff are located in 90 of the 100 or so MWSCs and almost all service the remaining centers and other loci of veterans’ employment needs.

¹⁸ State staff operating in the MWSCs retain their job titles, e.g., Veterans’ Employment Representative, Agricultural Employment Specialist, etc.

¹⁹ Other private Internet providers such as Monster.com are available through resource room computers, but the Michigan Talent Bank is the most easily accessible and widely used because of UI requirements, staff steering and the public awareness initiative among career development partners. America’s Job Bank and America’s Talent Bank are available as “bookmarks” on the Michigan Talent Bank. The Michigan Talent Bank website is http://www.michworks.org/mtb/user/MTB_EMPL.EntryMainPage.

²⁰ MDCCD conducts a monthly survey of individuals who place a resume on the Michigan Talent Bank to develop a statistical estimate of employment entries.

²¹ As Capital Area MWA CEO Doug Stites puts it, “It’s not the cars you build, it’s the cars you sell.”

²² The one exception was a former schoolhouse located some distance from any major thoroughfare. Reportedly, this was a politically motivated siting to repel its conversion into a charter school. Relocation plans are now under consideration.

²³ Written clarification of the role of local chambers was provided by MDCCD administrators in response to follow-up questions on January 24, 2003.

²⁴ Economic development and job training funds are transferred to MEDC from the MDCCD/ESA under an interagency agreement. The funds total \$771,200 for FY 2003 and have been about three quarters of a million in recent years.

²⁵ The MEDC board is entirely business/economic development representatives, whereas the business-led state WIB has a much broader composition.

²⁶ Only two of 25 the contracts were not renewed in the last cycle. Employment Services staff attribute this program stability to the public merit staff requirement.

²⁷ The small number of WIA participants is associated with the slow rate of exits; cases for clients with whom there may be little or no direct contact may be artificially kept open to avoid the risk associated with performance accountability.

²⁸ See Public Sector Consultants, March 2002, *Career Development System Indicators*, page 2, http://www.michigan.gov/documents/Indicators_Final_40643_7.pdf.

²⁹ Greeters may be interns, Green Thumb participants, or clerical staff. One Green Thumb staffer also provided basic computer skills training to resource room users.

³⁰ According to one source, only 700 to 800 ITAs were authorized in PY 2000 statewide.

³¹ Training has been more readily available for clients eligible for WIA Title I Dislocated Workers funds. Though training is not emphasized in the service menu for WIA Adult programs, it is not irrelevant. Training is just not considered a core function of the MWSCs in this area. Nor does it mean that access to training is actually limited. Lansing Community College has three admissions counselors on-site, and reportedly has more traffic at the Michigan Works! Lansing Office than it has on its main campus.

³² OSMIS is an integrated case management and performance measurement system that will be linked to the Michigan Talent Bank. It combines participant and program data for workforce and welfare reform programs administered by the local boards with Adult Education data from the Michigan Adult Education Reporting System and the Employment Services' Management Information System. Basic client information is integrated and case notes are shared across OSMIS subsystems which run parallel to each other and are shared by local staff.

³³ Many more tenured staff lamented that the new Internet-based data sets and centralized preparation of "canned" reports reduced their capacity to conduct local queries for case management and performance purposes.

³⁴ There appears to be very little knowledge or concern about outcomes by any one of the three funding groups regarding the performance indicators or outcomes of the other two.

³⁵ Based on MDCD clarifications, January 24, 2003.

³⁶ Regional U.S. DOL spokespersons indicate a much more give and take process within parameters derived from JTPA performance data. Within the state, several informants indicated that the state determined local standards without substantive negotiations as well.

³⁷ The PY 2000 WIA Annual Report indicates that approximately 80 percent of the WDBs, including the Northwest MWA, did not meet their performance goal.

³⁸ One director indicated that performance measures were meaningless; the WDB would get the "numbers."

³⁹ One approach is to "pre-register" WIA clients and, subsequent to employment, open their case and exit them.

⁴⁰ A staff person might be dedicated to monitoring soft exits and reminding career advisors to take action on a case or cases approaching the 90-day limit.

⁴¹ The underlying issue is whether virtual access eliminates the need for on-site services, reduces, or alters the flow of individuals through the career centers. Those who can successfully self-navigate on the Internet are probably less likely to need MWSC in-person services. People with limited or no automated skills, many of whom may be among the more traditional users of employment services, may seek staff assistance to acquire Internet navigation skills—once they are aware of their utility for labor market success.

⁴² Statement provided as part of comments on an earlier version of this report by MDCD administrators on January 24, 2003.