

**SENATE ECONOMIC DEVELOPMENT COMMITTEE**

January 24, 2014

**GREG PITONIAK, CEO FOR SEMCA MI WORKS—WAYNE/MONROE**

**--LARGEST POPULATION BASE OF 25 MWA REGIONS.**

**--AWARE THAT YOU HAVE HEARD TESTIMONY RECENTLY FROM  
JACOB MAAS & OTHER MWA DIRECTORS OVER THE PAST YR**

**THANK YOU FOR THE OPPORTUNITY TO SHARE WITH THE COMMITTEE  
SOME OF WHAT I KNOW IS WORKING WELL TO HELP GROW MI  
ECONOMY.**

**APPRECIATE WILLINGNESS TO HOLD HEARINGS OUTSIDE LANSING!  
THIS IS A POSITIVE STATEMENT THAT YOU TRULY WANT TO RECEIVE  
INPUT FROM COMMUNITY LEADERS. AS FORMER STATE LEGIS I  
KNOW IT IS ALSO MORE CHALLENGING TO DO SO.**

**LET ME BEGIN BY REMINDING YOU THAT THE MI MODEL FOR  
DELIVERING WD PROGRAMS IS RECOGNIZED AS ONE OF THE MOST  
COORDINATED & EFFICIENT IN THE NATION. THIS IS BECAUSE WE  
HAVE CO-LOCATED IN OUR MI WORKS AGENCIES & SERVICE CENTERS  
SEVERAL DISTINCT PROGRAMS: WIA ADULT, WIA YOUTH, UIA  
EMPLOYMENT SERVICES, PATH (JET), AND EVEN MI REHAB SERVICES  
(MRS) & VET REPS. IN VIRTUALLY ALL OTHER STATES, THESE SAME  
PROGRAMS ARE TYPICALLY FUNCTIONING IN SEPARATE ORGS &  
FACILITIES WHICH IS FAR LESS COST-EFFICIENT & CAUSES GREATER  
CONFUSION FOR THE JOB-SEEKERS & EMPLOYERS.**

**RESTRICTIONS & REQUIREMENTS THAT LIMIT ELIGIBILITY OF BOTH TRAINEES & EMPLOYERS SUCH THAT MANY EMPLOYERS OR JOB-SEEKERS CANNOT BENEFIT FROM THEM. THE STTF HAS BROADER ELIGIBILITY & IS MUCH SIMPLER TO ACCESS. THE WDA HAS BEEN SO PROFICIENT IN THE IMPLEMENTATION OF THE STTF & THE DEMAND HAS BEEN SO GREAT THAT LESS THAN 4 MOS INTO THE FY, ALL OF THE \$10 MIL HAS BEEN COMMITTED. I WOULD LIKE TO DRAW YOUR ATTENTION TO THE CHART WE HAVE PROVIDED TO YOU. I AM ESPECIALLY PROUD TO INFORM YOU THAT SEMCA IS THE #1 MWA (AMONG THE 25) TO PRODUCE THE HIGHEST # OF STTF PROJECTS RECEIVING APPROVAL-- EQUALLING 17% OF THE TOTAL TRAINING FUNDS AWARDED! AND WE HAVE 13 ADDITIONAL APPLICATIONS THAT HAVE RECEIVED PRELIMINARY APPROVAL SUBJECT TO AVAILABILITY OF FUNDS! SEMCA & ITS PARTNERS ARE COMMITTED TO DO OUR PART TO GROW MICHIGAN'S ECONOMY.**

**LET ME CLOSE WITH A STORY ABOUT THE COMMITMENT OF THE MI WORKS SYSTEM TO A CONSTANT IMPROVEMENT PROCESS. BEGINNING SEVERAL YRS AGO, THE FED GOVT BEGAN NOTIFYING THE STATE OF MI THAT IT WAS FAILING TO MEET PERFORMANCE REQUIREMENTS UNDER WELFARE REFORM PERTAINING TO THE "WORK PARTICIPATION RATE' (WPR) OF OUR TANF CASH ASSISTANCE RECIPIENTS. IT REQUIRED STATES TO DOCUMENT THAT THE RECIPIENTS ARE REGULARLY ENGAGING IN SEVERAL TYPES OF JOB SEARCH, EDUCATION & WORK EXPERIENCE ACTIVITIES. TO AVOID PENALTIES, EACH STATE HAD TO ACHIEVE A MIN OF A 50% WPR ON AN ANNUAL BASIS.**

**BECAUSE MI WAS GENERALLY AT A 25-30% WPR, BEGINNING IN 2009, WE WERE CONFRONTING POTENTIAL ANNUAL PENALTIES OF \$25-30**

**MIL. THE MI WORKS SYSTEM HAD FOREWARNED STATE OFFICIALS IN THE LATE 1990'S THAT THE JET PROGRAM WAS NOT DESIGNED TO ALLOW MI TO ACHIEVE A 50% WPR. WHEN THE STATE BEGAN CONFRONTING THE POTENTIAL FED PENALTIES, THE MI WORKS SYSTEM PROACTIVELY ENGAGED SENIOR DHS & WDA MANAGEMENT IN DISCUSSIONS TO ADDRESS WHAT PROCESS/SYSTEM CHANGES WERE NEEDED TO IMPROVE THE MI WPR. AFTER AN INTENSIVE MULTI-YEAR COLLABORATION THAT INCLUDED HAVING KEY PERSONNEL FROM ALL 3 ORGS PARTICIPATE IN A 2 WEEK "LEAN PROCESS" KAIZEN EXERCISE, MI WPR IS NOW ABOVE 50%. NOW AS GOOD AS THIS IS, I MUST ADMIT THAT I CHOSE THIS STORY BECAUSE IT IS ANOTHER OPPORTUNITY FOR ME TO BOAST ABOUT SEMCA. UNEQUIVOCALLY, IF YOU ASKED ANY MI WORKS DIR OR THE WDA DIR OR THE DHS DIR, THEY WOULD AGREE THAT SEMCA WAS THE LEADER IN DOCUMENTING THE PROBLEM.....IDENTIFYING THE SOLUTIONS.....AND IN ACCELERATING THE STATE'S ACHIEVEMENT OF THE 50% WPR. THE MOST RECENT WPR FOR THE SEMCA REGION FOR THE PATH CLIENTS WE HAVE CONTACT WITH IS 71.4%. IN THE END, THE GREATEST BENEFIT OF THE NEW PATH PROGRAM IS HOW IT BENEFITS THE INDIVIDUALS RECEIVING CASH ASSISTANCE: IT PROVIDES A CONSISTENT LEVEL OF SUPPORT TO HELP THEM ADDRESS THEIR BARRIERS TO EDUCATION AND/OR ACHIEVING EMPLOYMENT.**

**THANKS FOR LISTENING.**