

Correspondence for the  
Networks Northwest Board Meeting  
Monday, October 9, 2017  
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Correspondence for the  
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**CORRESPONDENCE**

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Letter to The Honorable Rick Snyder from the Co-Owner of the Urban Oasis Salt Spa, Carol Saxton regarding support she, her husband, and our community receives from Northwest MI Works!, Inc.

**News Release**  
**FOR IMMEDIATE RELEASE**  
August 10, 2017

Media Contact: Dan Boss  
Program Publicity Specialist  
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[danboss@nwm.cog.mi.us](mailto:danboss@nwm.cog.mi.us)

## Northwest Michigan Works Schedules STTF Employer Information Sessions

TRAVERSE CITY, MI – \$30 million dollars in employee training funding will be available to Michigan businesses from the 2018 Skilled Trades Training Fund (STTF). The application period for STTF grants will run from September 18 through October 6, 2017. Prior to the start of the application period, Northwest Michigan Works! is holding Employer Information Sessions to help businesses learn about the STTF. Companies will also learn how to create a solid, competitive proposal, as well as the services and assistance available through Northwest Michigan Works throughout the STTF process.

The dates and locations for the Employer Information Sessions are:

August 23	Cadillac	9:00 a.m. – 10:30 a.m.	Wexford-Missaukee Career Tech Center 9901 East 13th Street
August 24	Petoskey	1:00 p.m. – 2:00 p.m.	North Central Michigan College Library Conference Center 1515 Howard Street
August 28	Kalkaska	3:00 p.m. – 4:30 p.m.	Northwest Michigan Works! 103 Third St.
August 29	Manistee	10:30 a.m. – Noon	Alliance for Economic Success 395 Third Street
August 31	Traverse City	3:30 p.m. – 5:00 p.m.	Northwest Michigan Works! 1209 South Garfield Large Conference Room

Businesses planning to attend one of the information sessions should RSVP to: [business-services@networksnorthwest.org](mailto:business-services@networksnorthwest.org) or [231-922-6920](tel:231-922-6920). Please indicate the location of the information session you would like to attend. More information about the STTF is available at: [nwm.org/sttf](http://nwm.org/sttf)

The STTF began in 2013 to provide funds to companies for short-term, in-demand training and is not limited to “skilled trade” occupations. Training has included welding, CNC operator, CNC programmer, robotics, IT training, electronic health records, and on-the-job training for individuals to be hired.

Northwest Michigan Works!, a program of Networks Northwest, is the region’s local workforce development partner serving thousands of job seekers and businesses every year. More information about the services offered by Northwest Michigan Works! is available at: [NWMichWorks.org](http://NWMichWorks.org) or by calling [800-442-1074](tel:800-442-1074).

# # #

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## News Release

Contact: Martin Ackley, Director of Public and Governmental Affairs, [517-241-4395](tel:517-241-4395)  
Bill DiSessa, Spokesperson, [517-335-6649](tel:517-335-6649)

# Michigan Legislature Expands Program Serving Locally-Grown Food in Schools

August 17, 2017

LANSING—Schools in three regions of Michigan have the opportunity to learn the difference a dime can make in their efforts to serve students Michigan-grown fruits, vegetables, and dry beans. That's due to the expansion of a popular pilot program in the state's School Aid Budget that Governor Rick Snyder signed into law earlier this summer.

Legislators expanded the pilot program, called *10 Cents a Meal for School Kids and Farms*, from \$250,000 in state funds to \$375,000 for the upcoming school year. A third, six-county region is being added where schools are eligible to apply for funds via competitive grants, the Michigan Department of Education (MDE) announced today.

Schools in 29 counties in [Michigan Prosperity Regions 2, 4, and 9](#) now can apply for the match incentive funding of up to 10 cents a meal to purchase Michigan-grown produce. The program is designed to provide fresh, locally-grown produce to students while investing in state agriculture.

In addition to 23 counties in west and northwest lower Michigan, six new counties have been added to the pilot in the Washtenaw region.

State Sen. Darwin Booher, of Ewart, the original legislative champion of the program, said the results of the first year of the state pilot were compelling. Last school year, food service directors who served 48,000 students in the 16 grant-winning school districts provided nearly 50 different Michigan-grown fruits, vegetables, and dry beans to their students.

"We hopefully will see an increase in the number of schools requesting the 10 Cents a Meal program," Sen. Booher said. "I look forward to seeing this as a big part of our future in our state and in our schools. I'd like to feed 1.4 million kids fresh fruits and vegetables grown in the great state of Michigan. We want this to go statewide."

State Superintendent Brian Whiston agreed that the timing was right for the expansion of the pilot program.

"Schools are serving a greater variety of fruits and vegetables and that is exactly what Michigan farmers grow," Whiston said. "Additionally, surveys show that school food service directors want to purchase more local produce, and Michigan farmers are interested in selling it to schools."

In its first year, the program stimulated sales for at least 86 different farms in 28 counties and 16 additional businesses such as processors and distributors, according to a [report](#) to the Legislature by MDE, which administers the program.

Food service directors named 30 new foods that they tried in meals.

"The kids are now asking, 'Any new fruits or veggies to try?' They keep me on my toes," one food service

director said in an MSU Center for Regional Food Systems survey for the project.

The MDE report is filled with stories and quotes from food service directors, educators, farmers, and other local food businesses such as distributors impacted by *10 Cents a Meal*. The full report, quotes, stories, and resources that can help schools be successful in applying for and utilizing 10 Cents funds are available at [TenCentsMichigan.org](http://TenCentsMichigan.org).

MDE receives support for this program from the Michigan Department of Agriculture and Rural Development, MSU Center for Regional Food Systems, Groundwork Center for Resilient Communities, and Prosperity Region offices, which for the upcoming year are Networks Northwest, Grand Valley Metro Council, and the Region 2 Planning Commission.

###

Program Contacts:

Diane Golzynski, Michigan Department of Education, [GolzynskiD@michigan.gov](mailto:GolzynskiD@michigan.gov);

Diane Conners, Groundwork Ctr for Resilient Communities, [diane@groundworkcenter.org](mailto:diane@groundworkcenter.org);

Colleen Matts, MSU Center for Regional Food Systems, [matts@msu.edu](mailto:matts@msu.edu);

Matt McCauley, Networks Northwest, [mccauley@networksnorthwest.org](mailto:mccauley@networksnorthwest.org).

**Editor's Note:** A map of Michigan's Prosperity Regions can be found here: [http://www.michiganworks.org/files/resources/Prosperity\\_Map1\\_430346\\_7.pdf](http://www.michiganworks.org/files/resources/Prosperity_Map1_430346_7.pdf)

These are the counties where schools that participate in the National School Lunch Program, are eligible to apply:

- **Prosperity Region 2** - Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford
- **Prosperity Region 4** - Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa
- **Prosperity Region 9** – Hillsdale, Jackson, Lenawee, Livingston, Monroe, and Washtenaw

The following 16 school districts were part of the first year of the state pilot project: Boyne Falls Public, Frankfort-Elberta Area, Glen Lake Community, Leland Public, Manistee Area Public, Northport Public, and Traverse City Area Public schools in northwest lower Michigan (Prosperity Region 2); and Coopersville Area Public, Forest Hills Public, Grand Haven Area Public, Montague Area Public, Muskegon Heights Public School Academy System, Muskegon Public, Oakridge Public, Ravenna Public, and Whitehall District schools in west Michigan (Prosperity Region 4).

The MDE *10 Cents a Meal* report and additional information on the program is available at <http://www.tencentsmichigan.org/>.

- [Ten+Cents+A+Meal.pdf](#)
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Board Chair: Gary W. Fedus  
Chief Executive Officer: Elaine Wood



**News Release**  
**FOR IMMEDIATE RELEASE**  
August 28, 2017

Media Contact: Dan Boss  
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## Starting a Business Workshop September 19 in Manistee

MANISTEE, MI—Individuals in the beginning stages of starting a business, in need of accessing capital, or simply considering self-employment will have the opportunity to attend a Starting a Business workshop Tuesday, September 19 in Manistee. The workshop is being offered by the Northwest Michigan Small Business Development Center (SBDC) in partnership with Baker College of Cadillac and is co-hosted by the Manistee Area Chamber of Commerce. The workshop is being held from 9:00 a.m. to 11:30 a.m. at the West Shore Medical Education Center, Classroom 2, 1465 East Parkdale (US 31).

The workshop will be facilitated by SBDC Small Business Consultant, Joni Krolczyk. She will help aspiring entrepreneurs assess their abilities to lead and manage a company and evaluate market and sales potential for their products or services.

This comprehensive 2.5 hour workshop also incorporates the SBDC's fundamental *Writing a Business Plan* workshop and fully covers topics such as determining concept feasibility, startup costs, financing options, the basics of business planning, along with other necessary resources to launch. This workshop is a requirement prior to meeting with an SBDC consultant one-on-one.

There is no charge to attend the workshop, but pre-registration is required by contacting the SBDC at [231-922-3780](tel:231-922-3780). Online registration is also available at [sbdcnorthwest.org](http://sbdcnorthwest.org).

### About Michigan SBDC

The Michigan Small Business Development Center (MI-SBDC) provides expert business assistance to help Michigan businesses raise capital, develop business plans and export strategies, and commercialize technologies. The Northwest Michigan Regional office is hosted by Networks Northwest and serves the ten county region including: Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford counties. The Northwest Michigan SBDC's contributing partners are Baker College, North Central Michigan College, and Venture North. For more information, go to: [sbdcnorthwest.org](http://sbdcnorthwest.org). The Michigan SBDC State Headquarters is located at Grand Valley State University, Seidman College of Business in Grand Rapids. Michigan small business owners may access the Michigan SBDC services by contacting [616-331-7480](tel:616-331-7480) or [SDBCMichigan.org](http://SDBCMichigan.org).

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**News Release**

**FOR IMMEDIATE RELEASE**

September 11, 2017

Media Contact: Dan Boss

Program Publicity Specialist

231-929-5047

[dan.boss@nwm.cog.mi.us](mailto:dan.boss@nwm.cog.mi.us)

## Workshop to Help Farms and Other Businesses Find and Keep Employees

PETOSKEY, MI—Small business owners and farmers can learn how to find, hire, and keep the best employees in an ever tightening job market at a workshop September 26 in Petoskey. “Business of Farming: What’s Hot in Hiring” will run from 8:30 a.m. to 10:30 a.m. at the North Central Michigan College Student & Community Resource Center, Room 536.

The workshop is intended for small business owners, farmers, and hiring managers and will address the trends in hiring, where to find skilled staff, which digital tools you should be using to communicate your employment brand, and strategies and resources for finding and retaining the right employees. By staying on top of emerging trends you can attract talent, reduce turnover, and create a happier workforce. While this workshop is geared toward small farms or agribusinesses, any small business owner will find this topic both relatable and practical.

The presenter will be Annie Olds, Northwest Regional Director and Small Business Consultant with the Michigan Small Business Development Center. Olds is also an agribusiness specialist and owner of a small farm in Kalkaska.

The cost of the workshop is \$20. Registration is available through North Central Michigan College at [ccefaq@ncmich.edu](mailto:ccefaq@ncmich.edu) or [231-348-6613](tel:231-348-6613).

Event co-sponsors are Crosshatch, the USDA Risk Management Agency, Networks Northwest, Northwest Michigan Works!, Northwest Michigan Small Business Development Center, Baker College of Cadillac, North Central Michigan College, and Venture North.

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**News Release**  
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September 13, 2017

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## Starting a Business Workshop October 5 in Cadillac

CADILLAC, MI –Individuals in the beginning stages of starting a business, in need of accessing capital, or simply considering self-employment, will have the opportunity to attend a Starting a Business workshop Thursday, October 5 in Cadillac. The workshop is being offered by the Northwest Michigan Small Business Development Center (SBDC) in partnership with Baker College of Cadillac and is being held from 9:00 a.m. to 11:30 a.m. in Room 209 at Baker College, 9600 East 13th Street.

The workshop will be facilitated by SBDC Certified Small Business Consultant, Joni Krolczyk, who will help aspiring entrepreneurs assess their abilities to lead and manage a company, and evaluate market and sales potential for their products or services.

This comprehensive 2.5 hour workshop also incorporates the SBDC's fundamental Writing a Business Plan workshop and fully covers topics such as determining concept feasibility, startup costs, financing options, the basics of business planning, along with other necessary resources to launch. This workshop is a requirement prior to meeting with an SBDC consultant one-on-one.

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### **About Michigan SBDC**

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## Networks Northwest CEO Recognized As Champion of Workforce Development

TRAVERSE CITY, MI—Networks Northwest CEO, Elaine Wood, has received the 2017 Champion of Workforce Development Award from the Michigan Works! Association. Wood was recognized for her service, dedication to, and long-time support of the Michigan Works! program. The award was presented September 11 at the Michigan Works! Association annual statewide conference in Mt. Pleasant.

“Champions of Workforce Development are honored agency leaders who exemplify the highest standards of leadership and who have made significant contributions to workforce development in Michigan,” said Luann Dunsford, chief executive officer of the Michigan Works! Association. “Elaine Wood is a perfect choice as she has truly dedicated her career to helping others better their lives through Michigan Works! programs.”

Wood has 43 years of experience in education, management and strategic leadership in the public and private sectors. She received the Ralph Loeschner Outstanding Service award from the Michigan Works! Association in 2014.

“Elaine’s contributions to the Michigan Works! program and its participants over the last four decades will be felt for years to come. She is a great member of the Michigan Works! family and we are happy to celebrate her service to the Northwest region,” said Dunsford.

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**News Release**  
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September 14, 2017

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## Northwest Michigan Housing Summit October 16 in Traverse City

TRAVERSE CITY, MI – The 2017 Northwest Michigan Housing Summit will bring community leaders, businesses, housing agencies, and funders together to take action on the region's housing needs. The third annual Summit will be held October 16 from 9:00 a.m. to 4:00 p.m. at the Hagerty Center, 715 East Front Street, Traverse City.

The Housing Summit will feature a keynote presentation by Laurie Volk, from the nationally-renowned market research firm Zimmerman Volk Associates, focusing on the region's population dynamics and their impact on housing and retail markets. Summit attendees will also hear from the builders' perspective, with Bob Filka, CEO of the Home Builders Association of Michigan, sharing highlights from a new HBA of Michigan report detailing the challenges builders face in meeting Michigan's housing needs, and potential solutions.

Other topics on the Summit agenda include discussions on the impact of statewide policy on housing at the local level and what to do about it; accessing capital for new development in small cities and rural communities; getting a community ready for development; creative affordable housing options; and more.

The cost to attend the Summit is \$50 and the registration deadline is October 6. Register by September 25 for \$40 early bird pricing. For more information and to register go to: [nwm.org/housingsummit](http://nwm.org/housingsummit) or call [231-929-5077](tel:231-929-5077).

The Northwest Michigan Housing Summit is hosted by Networks Northwest and the Housing Solutions Network. Support for the event was provided by Traverse Area Association of REALTORS, Northwest Michigan Community Action Agency, Federal Home Loan Bank of Indianapolis, Goodwill Industries of Northern Michigan, and Northwest Continuum of Care.

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## **New GED and Career Prep Program Available in Manistee**

MANISTEE, MI — A new career-oriented GED program is being offered in Manistee. The Jobs for Michigan's Graduates (JMG) Career Readiness program is tied to GED prep and is being offered in collaboration with the Northwest Michigan Works! Adult Education Learning Lab. JMG Specialist, Cheryl Wolfram, will provide career preparation, volunteer opportunities, and job training and placement assistance for GED students 17 to 24 years old.

The JMG Career Readiness program is available to young adults who are serious about completing a GED and finding gainful employment. The program will start Monday, October 9 at 9:00 a.m. and will meet weekly on Mondays at the Manistee Northwest Michigan Works Center, 1660 US 31 South. There is no charge to participate in the program and participants may enroll at any time.

For pre-enrollment information or to register for the October 9 meeting, contact Cheryl Wolfram at [cheryl.wolfram@networksnorthwest.org](mailto:cheryl.wolfram@networksnorthwest.org) or [231-620-5275](tel:231-620-5275).

Along with the program in Manistee, Northwest Michigan Works! coordinates JMG programs at the Charlevoix-Emmet Intermediate School District, the Traverse Bay Area ISD Career-Tech Center, and the Wexford-Missaukee Career Tech Center.

Jobs for Michigan's Graduates is the leading program of Youth Solutions, Inc., a premiere youth opportunity organization on a mission to equip young people with the skills to overcome barriers and win in education, employment, and as citizens. Youth Solutions is the state-based affiliate of the national Jobs for America's Graduates organization ([jag.org](http://jag.org)), one of the largest and most successful school-to-work systems in the United States. The JMG model consists of a comprehensive set of services designed to help young people achieve education and career goals. For more information on Youth Solutions and its Jobs for Michigan's Graduates programming, visit [ouryouthsolutions.org](http://ouryouthsolutions.org).

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**News Release**  
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September 19, 2017

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## Defense Industry Outreach Event October 12 in Acme

ACME, MI— Simplifying and streamlining the process of doing business with the Department of Defense will be the focus on an industry outreach event October 12 in Acme. The US Army's Tank Automotive Research, Development and Engineering Center (TARDEC) External Business Office (EBO) Industry Outreach Event will bring together industry, government, and academic partners.

This event offers Northern Michigan companies the rare opportunity to network and engage with representatives from the Department of Defense and other business leaders.

Along with representatives from TARDEC, the Industry Outreach Event will also include representatives from the US Army's Tank and Automotive Command (TACOM), the Defense Logistics Agency (DLA), and the Michigan Defense Center. Information sessions at the event will cover topics including:

- Michigan's Protect and Grow Initiative
- The Small Business Innovative Research (SBIR) Program
- The Vehicle and Robotic Alliance Program Office
- The Defense Automotive Technologies Consortium
- The National Advanced Mobility Consortium

The event will run from 8:30 am to 4:30 pm at the Grand Traverse Resort & Spa in Acme. Registration and networking will begin at 7:30 am. There is no charge to attend but advance registration is required at [nwm.org/tardec](http://nwm.org/tardec). A continental breakfast and lunch will be included.

The event is hosted by the Northwest Michigan Procurement Technical Assistance Center (PTAC), in partnership with the Grand Traverse Economic Development Corporation, TC New Tech, National Contract Management Association - Great Lakes State Chapter, and Networks Northwest. This event is sponsored by the Michigan Economic Development Corporation and the Michigan Defense Center.

# # #

NOTE to Media: Images are oftentimes available upon request by e-mailing Dan Boss at [dan.boss@networksnorthwest.org](mailto:dan.boss@networksnorthwest.org) (300 dpi?), file format (.tif? .jpg?) and file size (1MB or less?). Or, phone (231) 929-5047. Check our online Media Room at: [networksnorthwest.org/media](http://networksnorthwest.org/media)

Founded in 1974, Networks Northwest facilitates and manages various programs and services for the 10 county region. These programs include Northwest Michigan Works, Small Business Development Center, Procurement Technical Assistance Center, various business services, and many different regional planning initiatives in response to our communities' requests and needs. You will see the broad spectrum of workforce, business and community services Networks Northwest offers if you visit our web site, [networksnorthwest.org](http://networksnorthwest.org)

## Upcoming Featured Events

### Networks Northwest's Cyber Security Summit

Thursday, September 21, 8:30 AM - 12:30 PM

Small businesses are not immune to cyber and Malware attacks. In fact, they are just as much at risk as large corporations and government organizations, if not more so. Certain types of cyber attacks are evolving at a pace that outstrips the development of many defensive measures, and small business owners need to be aware of how to protect their business and employees from becoming easy cyber targets. Networks Northwest's Cyber Security Summit will address these areas of concern and action for small business owners:

- Meeting DOD expectations for Supply Chain
- Cyber Security Best Practices
- Protecting your company information
- What to do if your company has been breached
- Password best practices
- Physical security
- Buying and selling online
- Mobile security
- NIST 800-171 compliance



In partnership with Michigan Manufacturing Technology Center (MMTC), Northwest Michigan Procurement Technical Assistance Center (PTAC), Michigan Small Business Development Center (SBDC), Northern Michigan Global Trade Alliance, and Michigan Economic Development Corporation (MEDC), the summit will feature panel discussions and individual presentations by Cyber Security experts from around the state who are at the forefront of working to protect small business owners or investigate and prosecute the attackers.

Northwestern Michigan College University Center  
Rooms 215/217  
2200 Dendrinos Dr, Traverse City, MI, 49686  
No charge but registration is required

[Link to Registration](#)

### Business of Farming: What's Hot in Hiring?

Tuesday, September 26, 8:30 AM-10:30 AM

How can your farm or business find, hire and keep the best employees in a tightening job market? It's a shifting employment landscape with job-hopping Millennials, boomerang employees and a shrinking entry-level workforce. This session is intended for small business owners, farmers, and hiring managers and addresses the trends in hiring, where to find skilled staff, which digital tools you should be using to communicate your employment brand, and strategies and resources for finding and retaining the right employees. By staying on top of emerging trends you can attract talent, reduce turnover and create a happier workforce. Presenter, Annie Olds, MI-SBDC Northwest Regional Director & Small business Consultant, with the Northwest Michigan Small Business Development Center, is also both an agribusiness specialist and owner of a small farm in Kalkaska.

Cost: \$20  
North Central Michigan College  
1515 Howard Street  
Petoskey, MI 49770  
Student & Community Resource Center - Room 536



To register, please send an email to [ccefaq@ncmich.edu](mailto:ccefaq@ncmich.edu) or call [231-348-6613](tel:231-348-6613).

## Partner and Network Training Opportunities

### Business Legal Issues Webinar

Wednesday, August 30, 11:30 AM - 1:00 PM

[Register Here](#)

### Starting a Business Workshop - Petoskey

Wednesday, September 6, 8:30 AM - 11:00 AM

[Register Here](#)

### Lean Overview Workshops Beginning in October at North Central Michigan College

October 10, Lean Manufacturing Overview  
November 14, Lean Office Overview  
December 12, Lean Value Stream Mapping Overview  
January 9, Lean 5S Workplace Organization Overview

[Link to Additional Information & Registration](#)

### TARDEC EBO Industry Outreach Event

Thursday, October 12, 7:30 AM-4:30 PM

[Register Here](#)

## Regional Support Provided by these Partners:



Northwest Michigan Small Business Development Center  
1209 S. Garfield Ave. Traverse City, MI 49686  
[231-922-3780](tel:231-922-3780)

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# Hot Spot for Tech Outsourcing: The United States



Employees at the Technonic Group in Boulder, Colo. The company once relied on offshore services, but has made nurturing local talent a priority. Ryan David Brown for The New York Times

For years, American companies have been saving money by “offshoring” jobs — hiring people in India and other distant cubicle farms.

Today, some of those jobs are being outsourced again — in the United States.

Nexient, a software outsourcing company, reflects the evolving geography of technology work. It holds daily video meetings with one of its clients, [Bill.com](#), where team members stand up and say into the camera what they accomplished yesterday for Bill.com, and what they plan to do tomorrow. The difference is, they are phoning in from Michigan, not Mumbai.

“It’s the first time we’ve been happy outsourcing,” said René Lacerte, the chief executive

of Bill.com, a bill payment-and-collection service based in Palo Alto, Calif.

Nexient is a domestic outsourcer, a flourishing niche in the tech world as some American companies pull back from the idea of hiring programmers a world away.

Salaries have risen in places like South Asia, making outsourcing there less of a bargain. In addition, as brands pour energy and money into their websites and mobile apps, more of them are deciding that there is value in having developers in the same time zone, or at least on the same continent.

Many of these domestic outsourcers are private, little-known companies like Rural Sourcing, Catalyte, Eagle Creek Software Services and Onshore Outsourcing. But [IBM](#), one of the country’s foremost champions of the offshore outsourcing model, has announced plans to hire 25,000 more workers in the United States over the next four years.

As a result, the growth of offshore software work is slowing, to nearly half the pace of recent years.

“The nature of work is changing,” said Vishal Sikka, chief executive of Infosys, an Indian outsourcing giant. “It is very local. And you often need whole teams locally,” a departure from the offshore formula of having a project manager on-site but the work done abroad.

“It’s not enough to have people offshore in India,” he added.

Infosys announced in May that it planned to hire 10,000 workers in the United States over the next two years, starting with centers in Indiana and North Carolina.

The offshore industry is not imperiled, analysts say. But from 2016 to 2021, the offshore services industry will have average yearly growth of 8 percent, the research firm IDC estimated. The rate in the previous five years was 15 percent.

“Domestic sourcing is here to stay, and it’s going to grow rapidly,” said Helen Huntley, an analyst at the research firm Gartner.

The first wave of internet-era digital change in business, starting in the 1990s, focused mainly on automating back-office tasks like payrolls and financial reporting. The software involved was a collection of huge programs maintained by armies of engineers.

The internet allowed that work to be sent to low-wage nations, especially India. That brought the rise of the big outsourcing companies like Tata Consultancy Services and Infosys.

Offshore services companies still excel at maintaining the software that runs the essential back-office systems of corporations. But today, companies in every industry need mobile apps and appealing websites, which can be made smarter with data and constantly updated. That software is best created by small, nimble teams, working closely with businesses and customers — not shipped to programmers half a world away.



Mark Ortung, the chief executive of Nexient, which is based in Newark, Calif., but set up centers in Michigan and Indiana to tap workers who didn’t want to leave the Midwest. Jason Henry for The New York Times

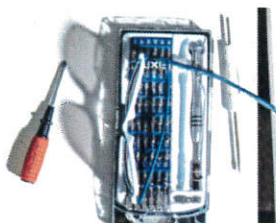


Nexient’s new office in Newark. The company has added 150 people in the last two years, and plans to hire a few hundred more over the next year. Jason Henry for The New York Times

Nexient, which has its headquarters in Newark, Calif., has three delivery centers in the Midwest: in Ann Arbor, Mich.; Okemos, Mich.; and Kokomo, Ind. It employs 400 people, up from 250 two years ago, and plans to hire a few hundred more over the next year, Mark Ortung, the company’s chief executive, said.

The company’s business model is fairly typical for onshore companies. On projects, it will send members of a team to the client for a couple of weeks to study the business and meet their counterparts. Bill.com even interviewed and shared in the selection of five Nexient engineers who would work on the joint team.

Mr. Lacerte of Bill.com had farmed out technology work over the years, but the headaches of navigating time zones, cultures



A set of tools at the desk of a Technonic apprentice. Technonic began the apprentice program in 2014, and has hired 90 percent of the graduates. Ryan David Brown for The New York Times

and language often outweighed the cost savings. Those problems went away when he hired a domestic outsourcer.

Nexient has set up its centers away from the coastal high-tech hubs, like the Bay Area and New York, to tap skilled people who want jobs in the technology economy without leaving the Midwest, where living costs are far less.

Monty Hamilton, a former Accenture consultant, took over Rural Sourcing in 2009, when it had just a dozen employees. Today, the company has 300 workers in four delivery centers: in Albuquerque; Augusta, Ga.; Jonesboro, Ark.; and Mobile, Ala. The payroll will reach about 400 people by the end of the year, Mr. Hamilton said.

"Every business now realizes it's a digital business," he said. "They need technical help, and that's really driven the demand for our U.S.-based talent."

Politics seem to be playing a role, too. The American onshore companies say they are seeing a postelection spike in client inquiries, as President Trump lobbies businesses to create more jobs in the United States and seeks to curb immigrant work visas.

"The election has brought a lot of attention to these issues and to us," Mr. Orttung said. "But nobody buys because of that."



Nick Seiber, a senior developer at Tectonic, which plans to expand to 10 new cities in the next three years.  
By David Brown for The New York Times

Rising labor costs abroad also make domestic sourcing more attractive. A decade ago, Mr. Hamilton said, an American software developer cost five to seven times as much as an Indian developer. Now, he estimates, the gap has shrunk to two times. The standard billing rate for his engineers is \$60 to \$70 an hour, compared with \$30 to \$35 in India, Mr. Hamilton said.

But the sales pitch made by onshore companies is not about raw labor costs. Instead, they claim the ability to deliver excellent work more efficiently than the offshore providers and less expensively than large technology services companies.

Cambia Health Solutions, which has its headquarters in Portland, Ore., is a health insurer with two million members. In recent years, it has moved beyond insurance to provide consumers with online tools to shop for doctors and specialists, for example, and to sort through drug options based on effectiveness, prices and user reviews.

In the past two years, Cambia Health has cut its use of an offshore outsourcer in India by half, said Laurent Rotival, the company's chief information officer. And the insurer has enlisted the help of Catalyte, an onshore outsourcer. "They can ramp up quickly," Mr. Rotival said.

Catalyte, based in Baltimore, has doubled its work force in the last two years, to 300 people. To accommodate rapid growth, Catalyte is scouting locations for two new centers, which the company hopes to open by the end of this year, said Michael Rosenbaum, founder of Catalyte.

Training is a vital capability for all the onshore companies, but few have gone as far as the Tectonic Group in Boulder, Colo. Once a committed offshore outsourcer, Tectonic has made nurturing homegrown talent the centerpiece of its business. In 2014, it set up a training academy that feeds graduates into its Department of Labor-approved apprenticeship program for software engineers.

In the past couple of years, 30 people have gone through the program, which lasts six to nine months. Tectonic has hired 90 percent of the graduates, and many later became employees of its corporate customers, starting at salaries between \$65,000 and \$75,000.

Tectonic has an ambitious expansion plan, going to 10 new cities in the next three years and hiring 100 developers in each city, said Heather Terenzio, the company's chief executive.

"American industry has relied too much on overseas technology workers and neglected the potential talent here," she said.

A version of this article appears in print on July 31, 2017, on Page A1 of the New York edition with the headline: That Job Sent to India May Now Go to Indiana. Order Reprints | Today's Paper | Subscribe

<https://www.nytimes.com/2017/07/30/technology/hot-spot-for-tech-outsourcing-the-united-states.html>

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**– WORKSHOP –**  
**Starting a Business**

**AUG. 30 • 8:30 - 11 am**

This workshop is intended for individuals in the beginning stages of starting a business, in need of accessing capital, or simply considering self-employment. Delivered in a workshop format, this 2.5-hour introductory session helps aspiring entrepreneurs assess their abilities to lead



and manage a company, as well as evaluate market and sales potential for their

products/services. It also incorporates the SBDC's fundamental Writing a Business Plan workshop and fully covers topics such as determining concept feasibility, startup costs, financing options, the basics of business planning, along with other necessary resources to launch.

The workshop features instruction by SBDC Regional Director and Small Business Consultant Annie Olds and is held in partnership with Northwestern Michigan College. The workshop is a pre-requisite to meeting with an SBDC consultant one-on-one. It will be held at the NMC University Center, Traverse City. There is no fee but pre-registration is required; <https://clients.sbdcmichigan.org>. For more information, contact the SBDC at: [sbdc@networksnorthwest.org](mailto:sbdc@networksnorthwest.org) or (231) 922-3780.

– WORKSHOP –  
**Networks Northwest  
Cyber Security  
Summit**

SEPT. 21  
8:30 am - 12:30 pm

Certain types of cyber attacks are evolving at a pace that outstrips the development of many defensive measures and small business owners need to be aware of how to protect their business and employees from



becoming easy cyber targets. Networks Northwest's Cyber Security Summit will address areas of concern and action for small business owners. The Summit will be held at the Northwestern Michigan College University Center, 2200 Dendrinos Dr., Traverse City. There is no charge but registration is required; <http://www.networksnorthwest.org>.

BY DOUG LUCIANI, columnist

## Economic Development is Everyone's Job



When the top choice for the Grand Traverse County administrator job recently emerged, it was an encouraging sign – one that underscored the importance of effective economic development strategies in moving the community forward.

Among the curious and sometimes frustrating aspects of local government in northern Michigan is its often vacillating approach to economic development. Some municipalities embrace the concept and have aggressively pursued economic growth strategies for their communities. Others seem to prefer a hands-off approach and are satisfied letting the private sector take the lead in how things evolve. A few have been downright hostile to the notion that local government has a role in spurring growth and development – a view that, fortunately, appears to be on the wane.

Given the tentacles of government that reach into the economic sphere, including land-use regulations, tax policy, labor law, infrastructure decisions, and more, it seems silly to argue that

government, even at a local level, plays a small or insignificant role in economic development. Quite the opposite case can be made when considering the local governments that have put the most

**“But for every high-paying job there is at least one lower-paying service job that needs to be filled.”**

effort and resources into spurring local growth – including the county’s effective brownfield redevelopment office and its work with Traverse City’s Downtown Development Authority – generated amazing results and an impactful bang for the public’s buck.

As more people come to understand the connection between public policy and economic prosperity, it’s important that approaches to this key community metric are more inclusive and encompassing, rather than more exclusive and specific. There’s been a lot of focus lately about attracting more “high-

paying” jobs to the region. That’s important, to be sure. Communities across the country are targeting upwardly mobile careers and emerging technology sectors.

But for every high-paying job there is at least one lower-paying service job that needs to be filled. Job creators and talent are necessary at every level, and over-correcting an economic development strategy at the exclusion of any one of them would be a mistake. Our advantage lies in the unique natural attractions that surround us, and the foundational work that’s been laid, which growing companies and their worker forces find best suited to their futures and lifestyles. That’s why it’s important to understand that multiple sectors play a role in our region’s future economic prosperity.

The non-profits and organizations that work to protect our environment play a huge role in economic development, as our natural beauty is a true ace in the hole for attracting talent. Likewise for our educational institutions, who will nurture and teach the children of those we hope to attract. Our early childhood sector is critical to drawing in and retaining the young families we want to see. We need to bolster our service sector; the higher-income professionals we desire need to have workers in the shops, wineries, restaurants, and related operations they like to frequent. Our chambers of

commerce need to be effective partners in creating business-friendly environments for companies new and old to ensure economic growth flourishes across the business spectrum.

Finally, the critical role our local and state decision-makers play in creating fertile and sustainable economic development can’t be overstated. It’s incumbent on them – in the fierce competition across the globe for economic growth – to double down on the policies and strategies that work, eliminate those that make our region and state less attractive to business development, and build the infrastructure needed to keep it growing.

Many hands make light work, the old saying goes. And it’s been an effective approach we’ve used for generations to make the Grand Traverse area the diverse and vibrant place we enjoy today. It won’t be a committee, a study, or task force that takes us to the next level. It will take all our region’s business and community leaders, their employees, our young professionals, retirees, and everyone in between to realize the economic potential within our grasp.

*Doug Luciani is CEO of Traverse CONNECT and the Traverse City Area Chamber of Commerce. Contact him at [doug@traverseconnect.org](mailto:doug@traverseconnect.org).*

## EDUCATION

# National Accolades for Northwest Michigan's Jobs for Michigan's Graduates Program

TRAVERSE CITY – The Jobs for Michigan's Graduates (JMG) program in northwest Michigan has received national recognition for the second year in a row. The program, coordinated in the region by Northwest Michigan Works!, is one of just 10 JMG programs in the state to receive a 5-of-5 Award from the Jobs for America's Graduates (JAG) Board of Directors.

The 5-of-5 Award recognizes JMG programs that meet or exceed national standards in five categories measuring student success, including graduation rate, further education rate, and job placements. JMG helps Michigan's young adults graduate and make successful transitions to post-secondary education or meaningful employment. Northwest Michigan Works! coordinates JMG programs at the Charlevoix-Emmet Intermediate School District, the Traverse Bay

Area ISD Career-Tech Center, and the Wexford-Missaukee Career Tech Center.

Jobs for Michigan's Graduates is the leading program of Youth Solutions, Inc., a youth opportunity organization on a mission to equip young people with the skills to overcome barriers and win in education, employment, and as citizens. Youth Solutions is the state-based affiliate of the national Jobs for America's Graduates organization ([jag.org](http://jag.org)), one of the largest school-to-work systems in the United States. The JMG model consists of a comprehensive set of services designed to keep young people in school through graduation and improve the rate of success in achieving education and career goals.

For more information on Youth Solutions and its Jobs for Michigan's Graduates programming, visit [ouryouthsolutions.org](http://ouryouthsolutions.org).

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## FOUNDATION NAMES NEW CEO

Page 4



**Grand Traverse Regional Community Foundation** has named David G. Mengebier as its next executive director/CEO. Mengebier has more than 25 years

with Consumers Energy, where he's currently senior vice president and senior policy adviser. He previously was the senior vice president of governmental, regulatory and public affairs, and president of the Consumers Energy Foundation. Mengebier serves on the boards of a number of northern Michigan-related non-profits, including TraverseConnect, Little Traverse Conservancy and the Great Lakes Water Quality Board. He will succeed current Executive Director/CEO Phil Ellis, who provided notice in early 2016 of his plans to retire.

## LOCAL JOBS PROGRAM RECEIVES NATIONAL RECOGNITION

Page 5

The **Jobs for Michigan's Graduates (JMG)** program in northwest Michigan has received national recognition for the second year in a row. The program, coordinated in the region by Northwest Michigan Works!, is one of just ten JMG programs in the state to receive a 5-of-5 Award from the Jobs for America's Graduates (JAG) Board of Directors. The award recognizes JMG programs that meet or exceed national standards in five categories measuring student success, including graduation rate, further education rate, and job placements. JMG helps Michigan's young adults graduate and make successful transitions to post-secondary education or meaningful employment. Northwest Michigan Works! coordinates JMG programs at the Charlevoix-Emmet Intermediate School District, the Traverse Bay Area ISD Career-Tech Center, and the Wexford-Missaukee Career Tech Center.

## TECHNOLOGY

### TC: The Midwest's New Tech Hub?

According to some, it will take a lot more than a hot new tech company to turn Traverse City into a woodsy Silicon Valley.

Casey Cowell, co-founder of U.S. Robotics, Inc. says focusing on technology isn't enough; Traverse City needs more companies that sell globally.

"Businesses that create economic value here and export it to the rest of the world are the engine," said Cowell, principle of the venture capital firm Boomerang Catapult LLC. "The result of that engine is high-paying jobs that each bring five or six service jobs here."

The community only stands to benefit, he said.

"The economic benefit flows through to every aspect of our community—taxes, infrastructure and schools," he said. "There isn't a lot of emphasis on that."

Cowell said Boomerang Catapult invested \$500,000 in ATLAS Space Operations Inc. because he saw it as just the kind of company Traverse City needs.

Cowell required ATLAS to move its headquarters here from California as a condition of that investment.

That was fine with ATLAS chief operations officer Mike Carey, a retired U.S. Air Force major general who spent much of his youth in Gaylord. Carey recently relocated to Traverse City with his family and will eventually hire up to 25 ATLAS employees.

Cowell said Carey is a good example of a "boomerang," someone who grew up in the area, became successful and wants to return to start a business.

The beauty and economic vitality of the Grand Traverse region give it an advantage over other areas, he said.

"There's a big opportunity for 'boomerangs' here," Cowell said. "Many towns don't have the natural resources we have."

Beyond ATLAS and Cowell's investment, a new organization hints at a growing technology sector in Traverse City.

TC New Tech, a networking organization, has grown to 900 members in just two years, Cowell said.

"My personal interest is in finding opportunities like [ATLAS] that can have an economic impact on our community," he said. "Success begets success."

## EDUCATION

# NMC's \$2.1 Million Grant

The impact of the largest program equipment grant in NMC's history is opening up new world for students and vocational industries

BY AMY LANE

When Northwestern Michigan College begins its new associate degree in welding technology later this month, it'll be thanks in part to something that transpired two and a half years prior: A major state grant for equipment toward skilled-trades training.

The nearly \$2.1 million grant, aimed at helping prepare students for in-demand skilled trades jobs, was the largest program equipment

grant in NMC history. And it's unfolded throughout areas of the college, subsidizing technology purchases that have benefited students and NMC alike — in the air and under water, and in electronics, computer information technology, nursing and elsewhere.

The grant's overall impact has "been huge," said NMC technical division director Ed Bailey. "It gave us an opportunity to do so much that we might not otherwise be able to purchase. It probably gave us a

seven to 10-year jump on what otherwise we would be able to do."

The ripple effects are many: Programs have expanded, with some gaining national prominence and visibility; students' learning experiences are richer; and there's draw and interest in what NMC and skilled trades can offer, among the public, industry and prospective students, college officials said.

Just ask welding program coordinator and instructor Devan DePauw, who points to letters he received in the spring from enthusiastic middle school students who toured welding operations as part of an NMC skilled trades event. Students viewed equipment grant monies helped purchase, including a unit that can be used both for live welding and for simulating a variety of welding tasks, and a robotic welding system like those used in industry.

The technologies have the effect of "opening up the world of welding ... and increasing presence of mind out there, which helps to make this seem like a viable option," DePauw said.

For the welding program, securing the new equipment was "a pivot point," he said. It was integral to several things: development of a new degree designed to align courses with industry expectations, expanding upon welding process specific courses to include a greater emphasis on fabrication, weld quality, and automation classes; recruitment and hiring of a full-time welding faculty member, DePauw; and further program growth.

DePauw joined NMC in fall 2015 from a

previous position of welding engineer with Miller Electric Manufacturing Co. in Appleton, Wisconsin, a leading manufacturer and global supplier of arc welding and cutting equipment.

With the live arc welding simulation equipment, NMC students "do the actual physical motions of

performing the weld" and view accuracy and consistency on a screen that shows where improvement is needed, DePauw said.



Ed Bailey



Devan DePauw



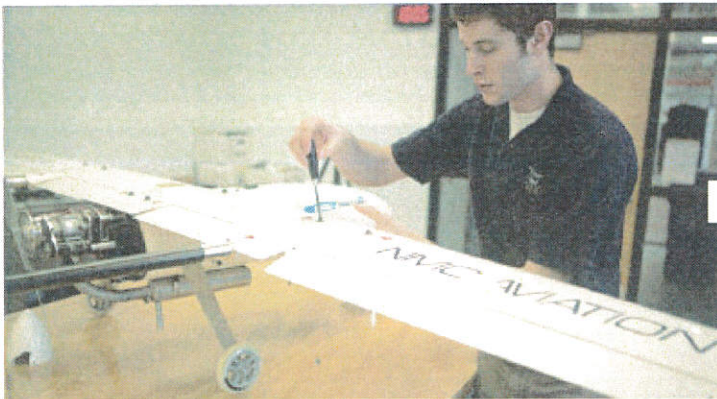
Jason Slade

The robotic welding cell, a one-stop work system made up of several components, including a robot and welding power source, familiarizes students with terms, concepts, and equipment used in industry, he said. Students learn principles that are crucial to "effectively integrate into a robotic or automation world, which is more and more becoming the norm out there."

Raymond Woods, vice president of engineering at Sherwood Manufacturing Corp. in Northport, said the new degree and program improvements and direction, including NMC's acquired equipment, are good moves for the college and for industry needs. He said welding is a skilled trade in high demand, and "whenever we need a welder, that's the first place we go to, is the college."

Sherwood Manufacturing does design/build and production welding, serving customers including Ford Motor Co. and Harley-Davidson Motor Co.

NMC's new associate's degree will provide industry-recognized, American Welding Society credentialing. The curriculum is also lined up with Ferris State University's welding engineering technology program, which will give students an additional pathway beyond NMC and broadens their opportunities, Bailey said. DePauw said college and university officials are working toward transferability between the



The CCSTEP grant enabled NMC to purchase several advanced drones.



Welding Program Coordinator Devan DePauw said that securing equipment like the robotic welding system shown here was a pivot point for the program.

## GRANT - CONT'D FROM PG. 38

two programs.

In addition to the new degree, NMC is also offering a new, additional level of a certificate in welding technology. To accommodate all, welding classes have been consolidated at NMC's Aero Park Laboratories building, where some \$60,000 in non-grant-funded capital improvements includes additional welding booths and equipment.

Said DePauw: "We're doing everything we can to try to give students the best possible tools that they can have to be effective in the modern manufacturing workplace."

Helping community colleges purchase equipment they need to deliver skilled trades training was the aim of the state's Community College Skilled Trades Equipment Program (CCSTEP), a one-time, \$50 million initiative that in early 2015 awarded grants to 18 Michigan community colleges.

The grant enabled NMC to purchase the latest technology and equipment to help students be workforce ready, at a price NMC could afford. Total project cost was to be about \$2.77 million, including some \$2.07 million from the state and \$697,061 in college matching funds.

Among college areas to benefit

were electronics and fiber-optics, the latter including fiber-optics training equipment to mimic tasks students would encounter in industry and build skill sets.

In electronics, grant funding supported the purchase of spectrum analyzers — test equipment to detect the range of electrical frequencies being emitted — and oscilloscopes that are used to observe variations in electrical signal.

Jason Slade, instructor in NMC's technical division, said the new oscilloscopes gave the electronics laboratory added capabilities and included an expensive set "that we never would have been able to afford on our own."

The CCSTEP purchases in turn spawned the need for additional learning space and creation of a second electronics lab, in space vacated by welding's move to Aero Park. The second lab area includes additional work benches and can better accommodate student side projects and endeavors. The expansion also enabled NMC to offer more classes in electronics, robotics and automation, and to run classes concurrently, Slade said.

He said the CCSTEP-funded technologies help students be more workforce-ready "because of their ability to use state-of-the-art equip-

ment and use it regularly." The equipment also helps build interest, including among potential students and their parents, Slade said.

"Students are really perceptive. If you have some old clunky equipment, they pick up on it pretty fast," he said.

Other NMC grant beneficiaries included nursing, with manikins that simulate patients, and computer information technology, which received several different types of

### The grant enabled NMC to purchase the latest technology and equipment to help students be workforce ready, at a price NMC could afford.

equipment. Purchases included 22 file servers and data storage technology that provided students with a variety of new learning opportunities, including having an on-premise data center and incorporating the equipment into Internet-hosted cloud computing, said Scott Goethals, computer information technology faculty member.

"A lot of organizations are now seeing the benefits of putting things in the cloud," he said. "The equipment allows students to both have an on-premise, which is our data center, as well as integrate with the cloud."

The CCSTEP equipment gives students hands-on experience in technologies they are tested on when they take industry certification exams, and opportunity to practice and work with technology before they get jobs where it is in use.

Students are "able to have the skills that they need when they hit the job market," Goethals said.

The grant-funded equipment has also elevated NMC program profiles. Take aviation, which has benefited from the purchase of several advanced drones that give unmanned aerial systems students high-level training.

"The CCSTEP grant and the equipment acquired through it, really put NMC aviation ... years ahead of our competitors, and allowed us to do pretty advanced work in sensor integration, autopilot programming, and just advanced flying operations," said Alex Bloye, director of NMC's aviation division.

The level of equipment, "used right now by the upper echelon of industrial inspection companies," has increased the experiential learning of current students and is also "very attractive to potential students," Bloye said. "Simply along

the lines of marketing, it really helps to keep our name out there."

Another gain: A partnership with the Michigan State University Institute of Agricultural Technology to offer specialty courses for institute students, aimed at particular industries. One was an agricultural-based unmanned aerial systems training program earlier this year; another is an end-of-summer offering for turf grass management students to apply unmanned systems operations and technologies to golf course management, Bloye said.

And based on the course model developed for the MSU institute, companies and other entities, most of which are in the local five-county region, "have expressed interest in translating that to their operation," Bloye said. "We are working with a number of industry partners to develop their own training scenarios and their own training modules."

At NMC's Great Lakes Water Studies Institute, the utility of CCSTEP-funded equipment has resonated throughout, including from NMC's unique bachelor's degree in marine technology, to freshwater studies, to hosted professional training and camps for college and high school students.

Key purchases included an approximately 66,000-gallon water tank that allows for year-round student work with remotely operated vehicles (ROVs), and a second and more sophisticated ROV that "is used across the world in multiple professional and industrial environments," said institute director Hans Van Sumeren. "It provided us a workhorse vehicle, and allowed us to train in multiple scenarios."

NMC's Bailey said equipment capabilities have resulted in statewide and national presence. For example, NMC has become the exclusive provider of underwater ROV pilot training credentialed by the Association of Diving Contractors International. The college also co-sponsors camps with the Marine Technology Society that attract high school and college students from around the country, and hosts training programs for law enforcement representatives and industry professionals.

"Our programs have grown dramatically as a result of these acquisitions," Van Sumeren said. "They allow us to train to a broader audience, multiple different ways, they've given us national and international exposure, and we're seeing industry calling on us for our graduates."

*Amy Lane is a freelance journalist and former reporter for Crain's Detroit Business, where she covered business, state government, energy and utilities for nearly 25 years.*



## Local Child Care Shortage Hits Critical Point

A scarcity of openings for child care in and around Traverse City has some center owners and parents looking for answers.

Locals say open spots are taken immediately, while at least one caregiver reports that she won't have an opening for three years.

"All of my current positions are full, and my current families have siblings waiting for a spot here, so I won't have an opening until September of 2020," says Christine Bazzett, who operates Joyful Noise Daycare in Traverse City.



That's similar to the situation at the Teddy Bear Day Care and Pre-School, which operates two locations, one on Bass Lake and a recently acquired Traverse City location. Earlier this year, Teddy Bear purchased the former Alphabet Soup center on Fourteenth Street. Between the two locations, the company will have 165 spots – all taken. "We're filled to the max," says Anna Fryer, the center's director.

According to Child Care Aware of America (CCAA), Michigan has 444,000 children under the age of 6 potentially in need of child care, with only 394,000 spaces available

Many cite the relative low pay and challenging work child care staff face as a key factor in the shortage

According to CCAA, the 16,900 child care center workers in Michigan earn an average of \$22,510 annually.

"You don't get into child care to become rich," says Fryer, who holds a masters degree in education. "It takes a special person. And we focus on providing quality care at reasonable prices." According to Fryer, a study of day care rates in TC shows an average range of \$35 to \$60 per day. "We charge \$38 a day for full-time," she says.

And the job is challenging. "Owners of child care homes or centers have all the hurdles of any small business owner or entrepreneur – funding, promotion, community relations, clients," explains Bazzett. "But the biggest problem for providers is burnout, because the job is low pay but high liability, high stress, high responsibility, physically and emotionally demanding."

There's an exceptional shortage of day care for infants, who require more care, often have immediate needs, and come with additional liability. "Because of that, licensing limits the number of infants we can take, and that's good," adds Bazzett.

Bazzett is licensed by the state to care for 12 children, but in order to have more than six, she would have to hire an assistant, which she has chosen not to do. She cares for five youngsters full-time and four part-time. Because two of them are over 7 years old and related, they do not count toward her ratio.

One thing parents can do, Bazzett and others say, is plan ahead. "Too many parents don't realize the problems of finding good child care until they need it and then are surprised to discover how difficult it is," she says. "They need to be willing to pay more for the intensive care of a nanny to come to their house if they're lucky enough to find one, or be willing to stay home with their infant until a spot opens up."

One new program might help with the shortage of local child care options: The Bayview Child Care Center and Pre-school is slated to open Sept. 5 at Bay and Wayne Streets in TC, providing spots for 42 children, according to administrator Carly LaFreniere. Sixteen of the openings will be for infants (more info [here](#)).

# Cleveland residents asked to help in Heritage Trail design

By Eric Carlson  
*Of The Enterprise staff*

Residents of Cleveland Township will be asked to play a role in the design and engineering of a final stretch of the Sleeping Bear Heritage Trail, which traverses the township.

About 25 audience members crowded into the township hall Tuesday evening to hear from Julie Clark, executive director of Traverse Area Recreational and Transportation (TART) Trails, Inc. TART has already raised millions of dollars to help pay for construction of nearly 20 miles of the trail between Empire and County Road 669 (Bohemian Road) in Cleveland Township.

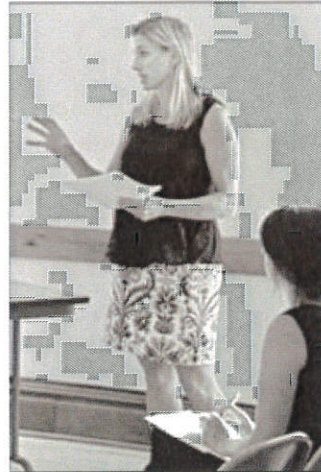
A final portion of the trail would proceed from Bohemian Road near the township hall, paralleling M-22 then following Traverse Lake Road around the north side of Little Traverse Lake, before heading northeast to Good Harbor Beach on Lake Michigan. When it is finished, the non-motorized hiking and biking trail will run nearly the entire length of Sleeping Bear Dunes National Lakeshore in Leelanau County.

A group of Little Traverse Lake property owners has challenged that plan, however, saying they don't want the trail placed so close to their homes on Traverse Lake Road, and urging an alternative route.

None of the public comment offered at this week's Cleveland Township Board meeting reflected that view, however. Five of six Cleveland Township residents offering public comment at the meeting specifically indicated they support construction of the trail along Traverse Lake Road.

The Township Board voted 5-0 on a motion by supervisor Tim Stein, seconded by trustee Bill Olsen, to work with TART Trails and Networks Northwest to seek more public input from Cleveland Township residents on design and engineering for the final portion of the trail.

Networks Northwest, formerly the Northwest Michigan Council of Governments, was represented by regional planner Elizabeth Calcutt at this week's Cleveland Township Board meeting. She said she stood ready to assist the township government in facilitating one or more public input sessions regarding the trail in the months ahead.



**JULIE CLARK**, executive director of Traverse Area Recreation and Transportation (TART) Trails, Inc., outlines a proposal for constructing the final stretch of the Sleeping Bear Heritage Trail through Cleveland Township. Looking on is Elizabeth Calcutt, a regional planner with Networks Northwest.

In other business at its regular monthly meeting this week, the Cleveland Township Board:

- Accepted the resignation of township treasurer Taryn Anderson-Budd who won a second term in the 2016 election but is stepping down for personal reasons more than three years before her current term expires.

- Agreed to appoint Deputy Treasurer Angie Diotte as interim treasurer through November 2018 when she will be required to stand for election if she wishes to retain the \$14,732 per year part-time position. A 15-year township resident, Diotte also works part-time as a preschool teacher at Glen Lake Community Schools.

- Learned from Trustee Todd Nowak, who serves as the Township Board's representative on the township Planning Commission, that the Leelanau County Planning Commission this week was reviewing an updated Cleveland Township Master Plan and a proposed township Zoning Ordinance amendment.

# City considers short-term rental regulations

Lonnie Allen (231) 547-6558 lallen@charlevoixcourier.com Aug 11, 2017 (0)

CHARLEVOIX — Officials in Charlevoix are considering changes to local zoning laws that would impact short-term rental properties in the area.

As the popularity of these types of rentals continue to grow, city leaders are hoping their changes will help them understand how vacation rentals impact the area.

Sarah Lucas, of Networks Northwest, the planner the city contracts with, said the ordinance is a proactive approach by the city to look at something that has taken many communities by surprise. Lucas said Charlevoix is looking at this in a way that is the least regulatory and least intrusive to landowners.

"It's a means for the city to keep track this type of use so we understand how many there are in the city and if there are any issues associated with them," Lucas said. "We hope to better understand how short-term rental use takes place in the city and not force owners into a regulatory box."

The planning commission has been working on an ordinance draft that would set some guidelines to how they can be operated in Charlevoix.

Some of the language in the draft ordinance would make short-term rental owners register their property with the city, houses kept up to code and require renters to be aware of city ordinances.

During public comment of the discussion, Bob Timms said the new regulations are another level of bureaucracy that is unnecessary for the city.

Linda Sawyer asked why the city was not addressing long-term rentals during public comment. She said these owners are the cause of much of the blight in the city.

Planning commission chair Sherman Chamberlain said long-term rentals are being discussed, but the commission wanted to move this along first.

Charlevoix Council Member Shirley Gibson said she likes the draft the planning commission came up with.

"This helps us as a city look at these commercial operations in residential neighborhoods," Gibson said. "We want to educate people so they are aware that others live here who are not vacationing."

During the meeting, Gibson noted that she lives next door a short-term rental home.

She said though she's never had a problem, she's heard people complain about trash and noise from other rental homes in Charlevoix.

"It's a good idea to have rules that are established for everybody to understand and follow," Gibson said. "This ordinance gives good guidelines, which are easy to follow and not burdensome regulations to city property owners."

Councilman Shane Cole is in favor of the current draft ordinance.

"I am very happy with it," Cole said. "I do not see any flaws in the current language. The planning commission and (Sarah Lucas) have done a good job working on this. I don't see a need for any changes at this time, but the whole process will take baby steps as we move forward."

Mayor Luther Kurtz said the overall draft ordinance from the planning commission "seems to be a good idea," because it looks at the overall housing question in Charlevoix.

"I am supportive of gathering more information," Kurtz said. "This ordinance is going to be part of the broader discussion of housing in Charlevoix. The way this is crafted is going to have an impact on that discussion."

The ordinance now returns to the planning commission to address some of the concerns brought up both by the council and members of the public.

Once the draft is finalized it will go back to the city council for a final decision.



Lonnie Allen/Charlevoix Courier Sarah Lucas, of Networks Northwest, speaks to city council members during their regular meeting on Monday about the planning commission short-term rental draft ordinance.

Lucas also spoke to council about a bill making its way through Lansing that would take away local governments' power to regulate short-term rentals.

If Senate Bill 329 passes, the Charlevoix ordinance would be obsolete. The city council is sending a letter to state leaders to speak out against it.

"I support the letter because we need to inform the elected officials in Lansing that local communities should be allowed to legislate what works best for them and not have bureaucrats in Lansing force the will upon us," Gibson said.

## Sessions to focus on employee training funding

**TRAVERSE CITY** – Some \$30 million in employee training funding will be available to Michigan businesses from the 2018 Skilled Trades Training Fund.

The application period for grants supported by the training fund will run Sept. 18-Oct. 6, 2017.

Prior to the start of the application period, Northwest Michigan Works! will offer several employer information sessions around its service area to help businesses learn about the training fund. Companies will also learn how to create a solid, competitive proposal, as well as the services and assistance available through Northwest Michigan Works! throughout the skills trades training fund process.

The Skills Trades Training Fund began in 2013 to provide funds to companies for short-term, in-demand training and is not limited to skilled trade occupations. Training has included welding, CNC operator, CNC programmer, robotics, IT training, electronic health records and on-the-job training for individuals to be hired.

### To learn more

Information sessions concerning the Skilled Trades Training Fund and the potential opportunities it offers for businesses are planned for the following times and locations:

- 9-10:30 a.m. on Wednesday, Aug. 23, at the Wexford-Missaukee Career Tech Center, 9901 E. 13th St., Cadillac
- 1-2 p.m. on Thursday, Aug. 24, at the North Central Michigan College Library Conference Center, 1515 Howard St., Petoskey
- 3-4 p.m. on Monday, Aug. 28, at Northwest Michigan Works!, 103 Third St., Kalkaska
- 10:30 a.m.-noon on Tuesday, Aug. 29, at the Alliance for Economic Success, 395 Third St., Manistee
- 3:30-5 p.m. on Thursday, Aug. 31, in the large conference room at Northwest Michigan Works!, 1209 South Garfield Ave., Traverse City.

Businesses that plan to attend one of the information sessions should contact [business-services@networksnorthwest.org](mailto:business-services@networksnorthwest.org) or (231) 922-6920 and indicate the location of the information session they would like to attend.

More information about the fund is available at [nwm.org/sttf](http://nwm.org/sttf).

Northwest Michigan Works!, a program of Networks Northwest, is the region's local workforce development partner serving thou-

sands of job seekers and businesses every year. More information about the services offered by Northwest Michigan Works! is available at [NWMichWorks.org](http://NWMichWorks.org) or by calling (800) 442-1074.

# Northwest Michigan Works employer information sessions open

## FROM STAFF REPORTS

TRAVERSE CITY — Soon, \$30 million dollars in employee training funding will be available to Michigan businesses from the 2018 Skilled Trades Training Fund (STTF).

The application period for STTF grants will run from Sept. 18 through Oct. 6. Prior to the start of the application period, Northwest Michigan Works is holding employer information sessions to help businesses learn about the STTF. Companies will also learn how to create a solid, competitive proposal, as well as the services and assistance available through Northwest Michigan Works throughout the STTF process.

The dates and locations for the Employer Information Sessions are:

Aug. 23, in Cadillac from 9 a.m. to 10:30 a.m. at the Career Tech Center at 9901 East 13th St.; Aug. 24 in Petoskey from 1 p.m. to 2 p.m. at the North Central Michigan College Library Conference Center at 1515 Howard St.; Aug. 28 in Kalkaska from 3 p.m. to 4:30 p.m. at Northwest Michigan Works at 103 Third St.; Aug. 29 in Manistee at 10:30 a.m. at the Noon Alliance for Economic Success at 395 Third St.; and Aug. 31 in Traverse City from 3:30 p.m. until 5 p.m. at Northwest Michigan Works 1209 South Garfield. Businesses planning to attend one of the information sessions should reserve a spot at [business-services@networksnorthwest.org](mailto:business-services@networksnorthwest.org) or call (231) 922-6920. Indicate the location of the information session you would like to attend.

More information about the STTF is available at: [nwm.org/sttf](http://nwm.org/sttf)

The STTF began in 2013 to provide funds to companies for short-term, in-demand training and is not limited to “skilled trade” occupations. Training has included welding, CNC operator, CNC programmer, robotics, IT training, electronic health records and on-the-job training for individuals to be hired.

Northwest Michigan Works, a program of Networks Northwest, is the region’s local workforce development partner serving thousands of job seekers and businesses every year. More information about the services offered by Northwest Michigan Works, is available at [NWMichWorks.org](http://NWMichWorks.org) or by calling (800) 442-1074.

# The right direction?

Debate flares, commissioners unsure about transit expansion approach

**MATT MIKUS**

(231) 439-9394 • mmikus@petoskeynews.com

Emmet County commissioners discussed options for expanding public transit at their Monday meeting, with one of the ideas for increasing bus service stirring debate.

Commissioners are considering a grant application to help in establishing countywide transit. If the

\$5,000 grant is sought and obtained, it would fund two half-day workshops facilitated by Networks Northwest. During these, representatives from area businesses and organizations, along with officials from Emmet and two neighboring counties, would determine the best way to provide expanded transit options for Emmet County.

The first workshop would

involve stakeholders and review available data to identify the demand for public transit, provide advice on the design of services during the early years of a countywide system, determine how to cover costs, and form a small advisory group to work with the county.

If the grant is provided to

See **TRANSIT** on **PAGE A6**

## TRANSIT FROM A1

the county, the workshop is expected to occur in November 2017.

A second workshop would propose an initial plan and budget for expanding transit services, and would likely occur in early 2018.

Commissioner John Stakoe and Scott Smith — who vied with Stakoe for the county board's District 5 seat in last year's election — recently have been working together to consider possibilities for slowly rolling out an expanded public transit option for Emmet County.

The two were ready to discuss both the grant and a concept to expand bus service to Emmet County's more populated communities, Harbor Springs and Petoskey, by contracting with Charlevoix County.

That idea offered some possibility for expanding transit by early 2018.

"The idea would be to expand their service into our area. We'd be able to take advantage of their existing system without starting from scratch," Stakoe said.

But the proposal was pulled from the agenda before the county commissioners met on Monday evening. Instead, the two presented an idea to attempt to capture funds from the grant offering from Networks Northwest.

Yet as discussion continued, board of commissioners chairman Charlie MacInnis asked the other members of the board whether right now was the time to tackle public transportation.

"We are in the middle of a massive number of activities before the board right now. We're doing budgeting for the first time, three departments need significant revenues from the general fund, we have an administrator search going on. In my opinion, it's not the time to move into public transit. We have so much on our plate," MacInnis said.

MacInnis then asked an informal poll of how commissioners felt about designating county staff to focus on public transit, yet Stakoe stated that he and Smith were simply looking at options and weren't requesting staff time or resources.

"We're not asking for any resources right now. We're just looking at trying to find viable options and put it forward. The question that kept coming up was, are we willing to put all of our time for that, that's an unfair question," Stakoe said after the meeting.

While the board did not formally discuss the concept of contracting

# Laid-off BorgWarner workers will get assistance

## Program can mean extended unemployment benefits, job search help and worker re-training programs

BY KAREN HOPPER USHER  
CADILLAC NEWS

**CADILLAC** — Laid-off BorgWarner Thermal Systems Inc. workers in Cadillac will get some extra help.

People who worked for the BorgWarner Inc subsidiary and were laid off on or after March 6, 2016, are eligible for trade adjustment assistance, according to a recent certification from the U.S. Department of Labor.

Even people who have already found new jobs might be eligible for assistance.

About 26-28 people are on the list of those affected, said Lisa Schut, manager of planning and program development at Northwest Michigan Works and Networks Northwest.

The program can mean extended unemployment benefits, job search help and worker re-training programs.

The certification covers BorgWarner employees who were laid off on or after March 6, 2016, until July 14, 2019, which will mark two years after the Department of Labor certified the group of workers as eligible for trade adjustment assistance.

The Trade Adjustment Assistance program falls under the Trade Act of 1974. It is generally for workers hurt by foreign trade.

But in this case, it was caused by a drop in commercial vehicle production in the United States, a company spokeswoman said in an email.

"There's absolutely no connec-

tion between the foreign trade and this job situation in Cadillac," said Katya Pruett, manager of public relations and communications for BorgWarner, Inc.

The plant re-hired as many workers as possible, she said. Calls to the Department of Labor were not returned before press time.

Employees affected by the layoff are being invited to a benefits orientation on Tuesday, Sept. 5, at 9 a.m. at the Michigan Works offices in Cadillac, 401 North Lake Street, Suite 700.

They will hear about services provided, the next steps to receiving Trade Act benefits and be able to speak to somebody about unemployment insurance, Schut said.

[kusher@cadillacnews.com](mailto:kusher@cadillacnews.com) | 775-NEWS 63297



KAREN HOPPER USHER | CADILLAC NEWS  
Workers affected by a March 2016 layoff at a BorgWarner subsidiary plant in Cadillac are eligible for trade adjustment assistance, according to a recent certification by the U.S. Department of Labor.

# In 4-3 vote, Elmwood Twp. to help fund study to move M-22

By Eric Carlson  
*Of The Enterprise staff*

A deeply divided Elmwood Township Board will allow township Supervisor Jeff Shaw to accept \$17,500 in grant funding to study the possibility of "trading" the location of M-22 for that of the Leelanau Trail through Greilickville.

Often referred to as the "visionary alternative" for solving traffic problems along M-22 in the southeast corner of Leelanau County, the idea first came up several years ago after the township adopted a Greilickville Commercial Corridor Sub-Area Master Plan.

One of the principal alternatives in the original plan called for construction of a service road to the west of M-22 and behind many of the commercial buildings and other properties along S. West Bay Shore Drive (state highway M-22). The proposed service road would connect many of the parking lots on the west side of M-22 and allow motorists to access nearly all those properties without needing to turn back onto M-22, alleviating heavy traffic there.

However, an even more ambitious and "visionary alternative" subsequently emerged that would involve relocating the Leelanau Trail to where M-22 currently runs between M-72 and Cherry Bend Road, and route M-22 along what is now the non-motorized Leelanau Trail. A variant of that idea includes construction of a small, local road adjacent to a non-motorized trail located where M-22 currently runs along the shoreline.

At the regular monthly meeting of the



**JEFF SHAW**, Elmwood Township Supervisor, has been authorized by his Township Board to hire an engineering firm to look into the possibility of switching locations of the Leelanau Trail and M-22 through Greilickville.

Elmwood Township Board last week, supervisor Jeff Shaw said that Rotary Charities had awarded the township a \$10,000 "seeds grant" to study the issue. An additional \$7,500 "Community Growth Grant" had been awarded by Networks Northwest (formerly the Northwest Michigan Council of Governments) to help underwrite a study.

"This money could be used to determine if this (relocation of M-22 through Greilickville) is even possible," Shaw told the Township Board. "If it is determined to be possible, we can proceed accordingly. If it is not, we can put it to

bed and proceed in a different direction."

Shaw asked the board to approve his request to put out a Request for Proposals (RFP) to several local engineering firms to study the issue of "rerouting M-22" for a cost not to exceed the total amount in grant funding, \$17,500.

A motion by township Treasurer Debbie Street, supported by Trustee Kyle Trevas, to authorize Supervisor Shaw to move forward, carried in a 4-3 vote. Trustees Dave Darga, James O'Rourke and Terry Lautner were opposed.

Darga said he didn't think traffic problems on M-22 were all that bad; and he'd observed few people trying to cross M-22 on foot.

O'Rourke said he'd prefer to see a traffic bypass built further inland in the county.

Lautner said he would prefer that an elevated road be built over M-22 for through traffic, with local traffic remaining at ground level.

"There has been so much discussion about this and so many unknowns, that we owe it to residents to find out what we can and cannot do to make M-22 safer and less of a traffic problem, Shaw said. "We need to find out what is possible – and we're doing so entirely with grant funding."

Shaw was expected to return to next month's Township Board meeting with proposals from engineering firms willing to study the issue for the township.

The study comes after the Michigan Department of Transportation installed protective road islands earlier this summer in the centerlane of M-22 to promote safe pedestrian access to the bay.



# What's "Affordable" Housing? Depends On Who You Ask

By Beth Milligan | Aug. 24, 2017

Affordable. Low-income. Workforce. Market-rate.



All of these terms are used to describe housing in the Traverse City market – often interchangeably, and rarely with precise definitions attached. While community leaders and developers agree there's a clear need for more "affordable" housing in the region, how that term is defined is less apparent. Affordable to whom? Is there an objective set of criteria that accompanies each of these categories, or is "affordable" simply in the eye of the beholder?

"It's difficult – unfortunately there's not really a consistent set of definitions of those terms," says Sarah Lucas, regional planning department manager at Networks Northwest. "The price point for affordable housing is all over the board. It's really a nebulous, generic term."

Lucas says "low-income" may be the easiest of the four categories to define, because state and federal agencies have specific criteria for that term. "That is typically people who are earning 80 percent or less of the area median income (AMI)," says Lucas. "There are generally subsidies that go into those projects. The units developed are only available to people earning low incomes." Examples of low-income projects in Traverse City include Riverview Terrace, Orchard Townhomes, Tradewinds Terrace, Aspen Hills and Churchside Village.

"The complaint we often hear about low-income housing is that it doesn't serve big chunks of the workforce," continues Lucas. "A lot of people don't qualify as low-income, but they're not earning enough money to pay market price for homes for sale or rent. So there's this big gap between what's on the market and what's affordable. That's where people start talking about workforce housing."

Developer Thom Darga specifically cited his intention to build "workforce housing" when seeking city zoning approval for Warehouse Flats, a planned four-story, mixed-used development in the Warehouse District. According to Darga's conditional zoning agreement approved by the city, the developer plans to build apartments ranging from one-bedroom, 500 square-foot units to 3-bedroom, 1,200-square foot units. "Most of the 500 square-foot apartments at Warehouse Flats will be available for rental as workforce housing apartments," the agreement reads. "Workforce housing is defined in this offer to be those starting at 30 percent of the (AMI) of Traverse City."

According to Traverse City Housing Commission Executive Director Tony Lentych, Traverse City's AMI for a family of four is \$68,750. The U.S. Department of Housing and Urban Development (HUD) provides "fair market rent" estimates for communities like Traverse City based on census data and renter surveys. In Traverse City, for those earning 30 percent of the region's AMI – the same threshold proposed by Darga – a fair market rent apartment would cost \$709 per month, including utilities.

Darga's proposal would hit the lower income range of workforce housing, according to both Lucas and Lentych, who themselves see that market as being between 80 and 120 percent of the region's AMI. "(Workforce housing) is a made-up term, it's not defined anywhere in statute," says Lentych. "(When using it), I'm referring to housing opportunities – and there aren't many of them – for young families, younger workers, people in that 80 to 120 percent of AMI range."

Agrees Lucas: "It seems like the portion of the workforce affected by this keeps getting bigger and bigger, going from 100 to 120 to 150 percent of AMI," she says. "If you're trying to serve that population, it's hard, because there aren't programs in the state that provide subsidies for those larger-scale developments. Developers recognize there's a huge market for workforce housing right now, but it's really difficult to build because of construction and land and infrastructure costs."

TraverseCONNECT CEO Doug Luciani affirms Lucas' assessment. TraverseCONNECT is a partner with Midwest Property Development and Westwind Construction in Trailside45, a 74-unit apartment complex under construction on Garfield Road. Marketing materials for the project tout a "budget-conscious" development offering a "welcoming environment for young professionals and others in the community in need of affordable housing." While the partners initially identified a rent range of \$750-\$1,200 per month, a representative for the project told *The Ticker* the lower end of that range will likely rise, though she could not disclose final rental rates. Luciani says he's also uncertain as to the rates, but notes costs on the project are high – a challenge facing many developers trying to build workforce or affordable housing.

"(The rents) will be below market rate for at least four years while we're in as an equity partner in the deal," Luciani says. "We don't know what the rate will be, but it'll be the cost to pay for the debt service on the building, maintenance, administration and property taxes. I was surprised at what a large percentage of the cost is of a build-by-right, unsubsidized apartment (complex) in the city limits, in terms of just the taxes added on to the rent."

The final term often used to describe housing units – market-rate – is another loosely defined category, essentially described as whatever the market can bear. That could range from \$500,000 luxury condominiums downtown to higher-cost rental apartments affordable mostly to those working in white-collar or professional careers. New apartment complexes such as Boardman Flats, Ridge45 and 918 West list rental rates starting for their smallest units between \$900 and \$950, with rates climbing up several hundred dollars more for larger units. The new TC Lofts project on State Street, which also bills itself as market-rate, is advertising units ranging from \$1,150 for the smallest one-bedroom, one-bathroom unit to \$2,000 for the largest two-bedroom, two-bathroom unit.

Regardless of the housing terminology used – whether low-income, affordable, workforce or market-rate – Lentych says there is a need for an increase in supply across the spectrum in Traverse City.

"I know for a fact we need housing on every level," he says. "The needs of this community are particularly going to be for young families. We don't have enough housing here for them." Lucas agrees many families and young professionals are "falling through the cracks." She adds: "Any housing development helps right now, because it takes a little of that pressure off."

# Emmet County seeks grants from Networks Northwest

Funds would help explore public transportation, workforce housing

MATT MIKUS

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Emmet County commissioners gave approval Thursday for the county to seek two grants from Networks Northwest, one which would be used in researching public transportation possibilities and the other to help in exploring workforce housing solutions.

Networks Northwest — a Traverse City-based regional agency focused on workforce development, economic development and regional planning — is offering a community growth grant to government entities and organizations, so long as a government entity signs for the grant.

One request would initiate two potential focus groups

which would discuss and form a potential action plan to establish public transportation for Emmet County. The grant requires a \$500 match and would provide \$5,000 to have Networks Northwest make focus group arrangements.

Only commissioner Charlie MacInnis voted against the grant, saying that he was concerned about having the grant administered by a citizen rather than a county employee. The grant

See GRANTS on PAGE A6

## GRANTS FROM A1

administrator would be Scott Smith, a citizen volunteer who has been working closely with commissioner John Stakoe on the public transportation topic.

MacInnis also stated that he'd prefer not to have an outside facilitator conduct the focus group.

"It removes control of the process from the elected county commissioners to an organization from Traverse City. We're elected to serve our voters, and I believe we play a central role in that. I don't need to have a barrier between myself and the people who voted for me. They also bring no special expertise in the transportation area," MacInnis said to the News-Review after the meeting.

MacInnis said he would rather wait until the beginning of 2018 before addressing public transit, to determine what the county's financial position is after the forensic audit that began earlier this year.

Stakoe said during the debate that he was asked by MacInnis to make changes to the grant request prior to the meeting. But during discussion, MacInnis questioned if it was proper to discuss and vote on the changes, since commissioners did not have time to review the language.

MacInnis said the change was requested because the

original application focused more on implementing a public transit system, rather than arranging for the focus groups.

Before voting on the grant, Commissioner Toni Drier stated that she is still concerned about how a program would be implemented. She said early discussion for public transit focus more on the heavily populated districts.

Stakoe, on the other hand, said the only way to see if public transit is viable is to have a successful program in the more populated areas, and expand to rural areas if the service is sustainable for growth.

The second grant application, seeking \$5,000, would be for a project aimed at improving workforce housing in Emmet County and was based on a request from commissioner Jonathan Scheel. The required 10 percent match for the grant was raised by private donors.

The housing effort would identify housing sector representatives from Petoskey and Harbor Springs to help find workforce housing solutions, and to participate in an Oct. 16 housing summit in Traverse City. Following the summit, the individuals would conduct multiple working sessions to identify properties and develop an implementation plan for projects.

In 40Under40, Issue 2017 September  
- By Ross Boissoneau

# 2017 40Under40: The Region's Most Influential Professionals Under Age 40



Just when we thought it couldn't get any better than our 10th anniversary last year, our annual list of the 40 most influential regional leaders under age 40 continues to inspire and amaze.

The 2017 class is comprised of an exact split of 20 women and 20 men, as well as 16 new faces and several multiple-year recipients. They are so much more than their job titles – they are advocates for the homeless, children and the local farmer; they are job creators, decision-makers and financiers; green advocates, activists, thinkers and planners. They are influential in so many ways, yet in their bios below you will read about the local people who inspire *them* professionally.

After receiving another record 130-plus nominations from the community, a panel of judges painstakingly reviewed the submissions and chose the 40 influencers whose professional and community efforts during this past year

had the most impact.

The panel included K.K. Trucco, vice president of recruiting for Hagerty; Doug Luciani, CEO of Traverse CONNECT and the Traverse City Area Chamber of Commerce; Luke Haase, publisher of the TCBN, Northern Express and The Ticker; Lynda Wheatley, editor of the Northern Express; and Gayle Neu, TCBN contributing editor.

Many thanks to [Hagerty](#), again this year's signature sponsor, as well as the companies that donated goodies for the "swag bags" given to the winners at the reception.

The TCBN will start collecting nominations next April for the 2018 40Under40. Watch for information in the TCBN and [The Ticker](#) starting next spring.



## Sarah Lucas

Director of Community Development, Networks Northwest, 39

**Organizations actively involved in:** Michigan Association of Planning, board member; Homestretch, board member, Fair Housing Center of West Michigan, board member.

**Highlight from last year:** We held a Housing Summit in October, and it's triggered a lot of community action. Regional stakeholders from different sectors have come together to explore solutions. Conversations that began at the Summit built a growing knowledge base and consensus about what we need as a region. Also, we've been working with communities and human service professionals to identify links between community development and the big social issues that we're facing – such as addiction, child welfare, and personal and public health.

**Local person who inspires me professionally:** I can't pick just one! I've learned so much in working with Grand Traverse County's planning department. John Sych, the planning and development director, has a measured, pragmatic, respectful approach that gets things done and builds consensus without drama or fanfare. And I've always admired Jean Derenzy, director of community development, for her determination, resourcefulness, tireless work ethic, and genuine passion for the work that she does for the community.

**My next big thing:** We have another Housing Summit planned for October 16! I'm continuing to work with partners region-wide on addressing systemic and structural issues that are contributing to our housing issues, through the organization of a housing partnership that will add capacity and connect resources for developers, housing organizations and communities.

**Who knew:** I love shopping secondhand for clothes, furniture, books ... you never know what you're going to find. I especially love used bookstores – once I walk into one, it's hard for me to leave.

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# Skilled Trades Training Fund To Award \$29 Million In Grants: Oct. 1 Begins New Cycle

*In Issue 2017 September, Manufacturing  
- By Amy Lane*

Funds to train the skilled trades are getting a big boost from the state.

Starting Oct. 1, businesses can compete for a piece of the state's Skilled Trades Training Fund (STTF), a \$29 million competitive grant program.

Last year's STTF awarded \$17.1 million to 450 applicants.

In the northwest Michigan region, 24 companies, mostly manufacturing, received slightly more than \$647,000 in grants.

Traverse City's Bay Motor Products Inc. makes motors, blowers, and fans. It has used \$55,000 in grant money over three years to train employees on lean manufacturing practices and computer-aided design processes.

"The funding made perfect sense for us as we stepped into that process, as there was a lot of training we needed to do," said Andy Robitshek, the company's president.

The training was run through Northwestern Michigan College's Training Services.

"The trainings were a valuable conduit toward embracing lean manufacturing, which has helped our company meet customer needs and grow the business," Robitshek said.

The money flows through local Michigan Works! agencies. Northwest Michigan Works! which serves as a liaison between businesses and state, "has been great to work with," said Robitshek.

Stephanie Beckhorn, senior deputy director of workforce development in the Michigan Talent Investment Agency, said the program, entering its fifth year, has been successful and "embraced by employers in our state."



The STTF falls under the state's Going Pro campaign, an initiative to elevate the perception of professional trades and showcase opportunities in a variety of careers.

The campaign targets skilled-trades jobs in industries including advanced manufacturing, construction, information technology and healthcare.

Beckhorn said the state plans to release applications to agencies in mid-September and will accept applications through the first week of October, awarding grants prior to Thanksgiving.

In the last award round, training assisted by a \$3,000 STTF grant helped Grand Traverse Machine Co. increase its ability to bid on military projects and commercial work.

The company, which manufactures precision machined products such as industrial shock absorbers, hydraulic cylinders and parts for military vehicles, used the grant to send two welding employees to a trade school class where they received American Welding Society certification, said company president Mike Alfonso.

"The training gave the company more opportunities for military projects and other work because of the certification required," Alfonso said. "It really improved the employees' skill set."

Terry Vandercook, director of operations at Northwest Michigan Works!, said the STTF gives employers access to training dollars with very few restrictions.

"They can train both incumbent or active workforce, as well as new hires with this program, with very few eligibility factors to meet," he said. "And they have a wide range of training available to them; they can train to almost any technical skill than an employer can need."

Vandercook said the agency guides employers through the entire process, providing reimbursement when training is completed.

"Each employer only has to work with us," he said.

Successful applicants are advised to exhibit strong and compelling training rationale. All training funded by the STTF must fill a demonstrated talent need experienced by an employer and be three to six months in duration, with the exception of apprenticeships.

Rob Dickinson, business services coordinator with Northwest Michigan Works!, said competitive applications "tell a story," including details about the company and benefits of the proposed training to company and employees.

For example, an employer might state if the training would open up new markets, prevent layoffs, enable it to add work and jobs, or lead to higher wages for those trained.

The employer's contribution or "leveraged funds" toward the training project, like associated costs or loss of production while the employee-in-training is away, is also important, he said.

"The most competitive grant applications will have more leveraged funds, or skin in the game, than they are asking for," Dickinson said. "Bringing on an apprentice or new hires can also strengthen employer applications."

Beckhorn said that while the majority of applications are from individual employers, businesses in a particular industry that have a shared challenge or need can also collaborate and submit a group application.

"We're really trying to meet the needs that employers have to fill their talent gap," she said.

*Amy Lane is a freelance journalist and former reporter for Crain's Detroit Business, where she covered business, state government, energy and utilities for nearly 25 years.*

#### **Skilled Trades Training Fund Awards Region 2 - FY17**

AAR Mobility Systems, Cadillac \$31,434

Armor Express, Central Lake \$15,000

Bay Motor Products, Traverse City \$11,900

BorgWarner Thermal Systems, Cadillac \$11,500

Central Industrial Manufacturing, Inc., Harbor Springs \$4,500

DCL Inc., Charlevoix \$15,900

Grand Traverse Machine, Traverse City \$3,000

Hutchinson Antivibration Systems, Inc., Cadillac \$24,532.39

Lear Corp., Traverse City \$5,789.40

LexaMar Corp., Boyne City \$117,407

Manthei Veneer, Petoskey \$70,280

Materne North America Corp., Grawn \$15,000

Michigan Rubber Products, Cadillac \$21,484

Norcross Co., dba Preston Feather Building Centers, Petoskey \$85,715

Northwest Design Group LLC, Petoskey \$3,010

Petoskey Plastics, Petoskey \$34,490

Pro Image Design, Traverse City \$8,355

Rexair LLC, Cadillac \$31,605

Saber Tool, Cadillac \$6,000

Shoreline Fruit LLC, Traverse City \$32,659.28

Shoreline Power Services Inc., Williamsburg \$66,000

Top Line Electric, Traverse City \$3,000

United Engineered Tooling Inc., Traverse City \$10,500

Van Dam Custom Boats, Boyne City, \$18,000

TOTAL \$647,061.07

*Sponsoring Agency: Northwest Michigan Works!*

# Cadillac area needs at least 100 housing units, study finds

Survey, funded in part by Cadillac Area Community Foundation, calls for more downtown rentals, affordable options

BY KAREN HOPPER USHER  
CADILLAC NEWS

CADILLAC — The Cadillac area needs about 100 more housing units, according to a new study.

Kelly Murdock, the owner and managing partner of Community Research Services, LLC, presented a summary of his findings during a forum Tuesday in Cadillac.

**Of the roughly 100 housing units Cadillac needs, according to the study, at least 60 should be market-rate or mixed-income one-and-two-bedroom units.**

**Deaths**  
Victor J. Kline, 91,  
of Lake City


See obituaries on A4

Vol. 146 No. 72



1 888 500 3100 6

**Two-day forecast**



**Friday 69 | 41**

**Saturday 75 | 52**

*Sunny weekend ahead*

The Alliance for Economic Success hired Murdock's firm and paid for the research through funds from the Cadillac Area Community Foundation and other interested parties.

Of the roughly 100 housing units Cadillac needs, according to Murdock's study, at least 60 should be market-rate or mixed-income one-

and-two-bedroom units. The market rate for such apartments, townhouses or garden-style apartments should be about \$800, Murdock said.

The market rate calculation did not consider salaries, only the rate on which renters and landlords would ultimately be likely to agree.

Another 40 or more affordable or mixed-income senior rentals are also needed.

The total number of units needed is not outlandish, said Tim Ervin, director of resource development at the Alliance for Economic Success.

"I'm encouraged that we will see development

move back home with their parents.

Ervin told them it would only be temporary.

"Come on back," he said. "We're going to solve this problem."

Some developers are already showing interest in the study, Ervin said.

A Wexford County native who has just graduated from college recently contacted him, he said. The recent grad didn't want to

needs of "the most viable segments of the labor force," Murdock suggested.

Development plans should include the needs of entry-level and managerial workers.

Rental development should be a priority over building new homes for sale, he said.

Murdock expects to make his full report available next week.

Still, Murdock's research showed wages in Cadillac haven't been growing.

That's part of why there are housing issues, he said.

Other factors, such as low birth rates, migration out of the community and a growing senior population contribute to the problem.

When making approaches to housing, officials should keep in mind the

in 2014 estimated Cadillac would be short about 4,000 housing units over a five-year period. But Murdock said his methodology is more conservative and he only recommends units he knows are needed.

The Cadillac area's employment base is more diverse in comparison to other Northern Michigan communities. There are more blue collar and manufacturing jobs, about 35 percent where 15-20 percent is typical in rural communities, Murdock said.

"We have opportunities here no one else has," he

## Housing

CONTINUED FROM A1

There also aren't enough homes for sale near community amenities, main roads and "other features" that are suitable for moderate income professionals.

Getting Cadillac's housing right is important because it supports the workforce and makes the community more stable.

"Don't give them reasons to relocate," Murdock said.

In recent years, a number of different studies have looked at housing in the Cadillac area. Research

said.

Still, Murdock's research showed wages in Cadillac haven't been growing.

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FOR MORE, TURN TO PAGE A2

kush@cadillacnews.com | 775-NEWS (6329)

# Labor shortage not letting up

*Local businesses adapt to serving on a short staff*

BY DANIELLE WOODWARD  
dwoodward@record-eagle.com

TRAVERSE CITY — John King remembers a time when he had no trouble recruiting seasonal labor to maintain his farm in Central Lake.

That was years ago, before a regional labor shortage hit King Orchard and the workforce picking produce and trimming apple trees in the fields began to dwindle.

"It used to be that we'd get new people in the field every year, but we haven't gotten any new people the last several years," he said.

The shortage came to a head this summer when King had to fill that gap with 15 immigrant workers through the H2A program that grants foreign agricultural workers temporary work visas for seasonal agricultural jobs in the United States.

"We brought them in for



James King moves boxes around in storage at King Orchards in Central Lake. The Kings recruit locals to work for them.

the first time this year and they've really been doing a bang up job for us," King said.

King is among those learning to adapt to a years-long labor shortage across industries throughout the region that reached a peak last sum-

mer and shows few signs of letting up.

The severity of last summer's labor shortage was visible in the signs outside fast food franchises like McDonald's advertising starting wages of \$11 per hour and local restaurants announcing reduced hours

because of lack of staff. Jane Butzier, then-operations manager at Northwest Michigan Works, called the labor shortage one of the worst she's ever seen in an interview last summer with a Record-Eagle reporter.

"The shortage is very extreme right now," Butzier said. "I've been in this business for 28 years and we've always seen swings in the labor market, but this is probably the worst I've ever seen it."

Butzier has since retired, but a snapshot of Northwest Michigan Works' job posting data suggests little has changed in the last year, said Director of Operations Terry Vandercook. Pure Michigan Talent Connect showed 3,358 job openings on Aug. 14 within the organization's 10-county region compared to the 3,404 job openings posted this time last year, he said.

**SEE SHORT PAGE 2A**



## Labor shortage not letting up

FROM PAGE 1A

Vandercook said the numbers themselves aren't cause for alarm, as they reflect new jobs opening as old ones are filled. The similar numbers represent a steady workforce, he said.

"I just think that's a sign that the economy is still strong and there are still opportunities available," he said.

But to some business owners, a stagnant year-over-year numbers show a new short-staffed reality. Henry Bisson, owner of Smoke and Porter Public House, said his staff wasn't stretched as thin as last summer, despite being roughly the same size, in part because he scaled back operation hours from the get-go.

"It's the new understandable norm," he said of the region's labor shortage. "This year we didn't even attempt to open on Sundays. We just chose to stick with the staff we had and not to try and push it further."

Bisson said on top of raising his restaurant's starting wage to \$10 per hour last summer, he restructured kitchen staff this year and opted to hire and train a handful of new servers rather than hunt for experienced ones.

It's a strategy Vandercook recommends to employers time and time again.

"When you know you have a talent shortage, start focusing on the talent you have available," he said.

That means investing in



Elizabeth Yost packs up a customer's groceries at King Orchards in Central Lake. On a Friday evening, the farm is bustling with workers helping customers, trimming trees, picking apples and preparing for a Saturday farmer's market.

**"When you know you have a talent shortage, start focusing on the talent you have available."**

Terry Vandercook,

Northwest Michigan Works Director of Operations

wage increases, accommodations and training for employees to move up in the workforce, creating more entry-level jobs in their wake.

King had to provide housing for all 15 of the immigrant workers he hired and raise minimum wages to the H2A-required minimum of \$12.75. He said the investment proved relatively expensive but opened up a host of side jobs on the farm by allowing him to plant more labor intensive crops.

"I think it's going well, but I'm nervous about payroll going up at a time when not all of our commodities are going up," he said. "We're hoping to offset that with quality work and productivity."

King can't help but worry about next summer's labor supply under

the Trump administration. King said he's remained nervous about labor shortage under both Obama and Trump presidencies, but the latter administration's to crack down on foreign worker visa programs would pose a fresh wave of challenges for his farm. He relied on immigrants to fill roughly half the farm's position this year.

"We do not have a backup plan," King said. "We'd be forced to downsize I'd imagine."

Bisson also said this summer seemed more manageable than the last, but closing for even one day per week during the summer is a sizable blow to his bottom line. He estimated the restaurant loses about \$4,000 for each Sunday it closes in the summer, adding up

to roughly a \$32,000 loss in summer sales, which he typically relies on to carry the restaurant through slower winter months.

"When you can break up paying off the daily expenses of running a restaurant in seven days rather than six, it definitely makes a difference in the bottom line," he said.

But Bisson has made peace with the less-than-ideal circumstances in the face of a region-wide labor shortage that shows little signs of easing up anytime soon.

"You've got no choice but forward," he said.

# And the work goes on ...

*Hurricane Harvey will add to construction worker shortage*

BY DAN NIELSEN  
dnielsen@record-eagle.com

TRAVERSE CITY — Monday's Labor Day holiday marks the end of summer — and a celebration of gainful employment in an era of extremely low jobless rates.

But to Traverse City native Kent Benedict this Labor Day instead foreshadows the end of a lifetime of work. He's thinking about retiring.

Benedict started at Max's Service 36 years ago as a warehouse and delivery worker. He has performed a variety of tasks for the appliance business in the decades since, most recently as warehouse manager. This summer he's shifting out of that position as he nears retirement, possibly by the end of the year. But he's not sure he's ready to completely leave the workplace behind.

"When you've been doing something for so long, and you think about quitting cold turkey ... I'm not sure. I'm going to take it one step at a time," Benedict said.

Benedict, 66, said he still may punch the time clock a couple of days a week even after his official retirement.

He took the job at Max's all those years ago after working in the construction trades. Back then it wasn't unusual, said Benedict, for construction workers to be laid off seasonally — and unexpectedly at other times of the year. Benedict's quest for a more reliable paycheck led him to Max's.

The construction trades today aren't as seasonal as they were 40 years ago, because machinery, techniques and demand can keep crews moving all year. Demand for new construction has grown rapidly in recent years. Trade workers are in high demand from coast to coast.

"It seems like everywhere you go, there's a shortage," said Benedict.

That's certainly true in northern Michigan, not only in construction, but in many industries.

"Employers have unfilled

jobs," said Northwest Michigan Works Chief Operating Officer Terry Vandercook. "The rate has been holding steady."

The state's official job network, Pure Michigan Talent Connect, listed 3,358 available jobs as of Aug. 14 in the 10 counties served by Northwest Michigan Works. There were 1,383 available jobs in Grand Traverse County, 222 in Antrim, 154 in Leelanau, 140 in Benzie and 62 in Kalkaska.

"There are great jobs, across industries and across skill levels," Vandercook said.

The particular need for more construction workers is a stark reality, a reality that worries industry experts across the nation.

The Associated General Contractors of America this week released the results of its annual survey of commercial contractors.

"After the recession of 2008, the construction industry lost about a third of its workforce," said Stephen Sandherr, the

organization's CEO.

The number of construction workers hasn't kept pace with growing demand for new construction, nor has it quite reached the pre-recession employment peak. The result is a nationwide shortage of trade workers. That has led to delays in both commercial and residential construction.

"The biggest source of our labor force problem is baby boomers retiring," said Aaron Benike, president of Benike Inc. — a Minnesota-based contracting company — during a media call this week. "And it's going to get worse before it gets better."

Adding to the problem is the fact that it's difficult to find houses for the house builders to live in.

"Affordable housing is a barrier to us finding workers," said Benike. "It's something our employees are struggling with and potential employees are struggling with."

**SEE WORK PAGE 8C**

## WORK

*And the work goes on ...*

**FROM PAGE 7C**

The AGC received 1,600 responses to its survey. About 70 percent of contractors said they're having a hard time filling available jobs for carpenters,

bricklayers, electricians, concrete workers and plumbers.

Contractors across the nation have accelerated efforts in schools to encourage youngsters to consider the building trades as a career path. Those efforts so far haven't been enough to catch up with increasing need.

Damage from Hurricane Harvey this week will result in massive rebuilding

efforts on the Gulf Coast. Workers will be diverted from projects across the region.

"It's certainly going to exacerbate the workforce shortage in Texas," said Ken Simonson, AGC chief economist. "A lot of projects will be delayed elsewhere, even out of state."

AGC's survey showed that concrete workers are in shorter supply in Texas than nationally. They're

sure to be in even higher demand when Houston rebuilds after floodwaters recede. The AGC survey showed that 47 percent of firms nationally are having trouble filling positions for cement masons. The figure among Texas contractors is 59 percent. But it's even higher in Michigan, 80 percent.

Results of AGC's survey are available at <http://bit.ly/2vGW0sg>.

# Missing Middle housing may provide balance

**I**f you always do what you always did, you always get what you always got.”

When planning or problem-solving, these are words to live by — both cautionary and prescriptive. When things are going well, we want what we’ve got; but when things are tough, we certainly don’t want them to stay the same.

It’s good advice for the region to consider as it finds itself in an unusual place: Things are going so well in some ways that they’re making things tough in other ways. Property values are high, which is great for homeowners. Tourism’s booming, which is great for business.

But if you don’t already own or rent, it’s hard to find a place to live here.

And that’s making it hard for all of our booming businesses to find enough staff to hire; housing shortages mean that new workers can’t move here.

There’s been a lot of talk about housing: affordable, attainable, workforce, low-income, market rate.

Beyond the talk, we’ve seen many developers put forth proposals and even break ground on new condos and apartments.

But it’s never quite enough.

Why? Many reasons. Property values and construction costs play the biggest role: it simply costs too much to build homes at a price that’s affordable to many people. Then, when developers propose housing at higher densities in order to reduce costs, fears arise that new development will

Middle, an idea that lies somewhere in between big apartment developments and single family homes.

It refers to multi-unit or clustered housing that’s compatible with single family neighborhoods — including duplexes,

four-plexes, row houses, small apartment buildings and clustered developments of small homes.

As more households look to move to smaller, less expensive homes, these choices are becoming more popular — and necessary.

The Missing Middle brings some cost savings, by allowing more homes to be built on a single property.

It fits new development onto smaller, more affordable pieces of land. It integrates different types of housing for different types

of people throughout the community.

And it accommodates housing needs without being too much for our neighborhoods, or dramatically changing their character.

The region has some great examples of the Missing Middle. Duplexes in single-family neighborhoods. Single-family homes converted into apartments. Single lots with a few small cottages that share parking. New apartment buildings that look like single family homes.

These are the types of development that neighbors love to point out to visitors as examples of development done right — or as places that visitors might someday like to live.

The Missing Middle

requires commitment and intention from all parties — government has to change zoning, developers must be sensitive to neighborhood concerns, and neighbors need to be open to new ideas. But in the end, these developments give us something to be proud of while meeting the needs of our community.

The Missing Middle is a little bit different from what we’ve always done — which has, for many years, been a lot of single family homes and a few big apartment buildings. But it might be just the middle road we need to walk that line between change that’s “too much” and “not enough.”

Sarah Lucas is community development director for Networks Northwest.



SARAH LUCAS

Local columnist

change the character of the neighborhood or community — often, even, from those who support more housing choices. The ensuing public opposition can, and often does, derail projects.

Into this landscape of confusing terms and conflicting community desires enters yet another housing term: the Missing

# CAREER-TECH BOOM

## BOOM TBAISD renovation will open space



Tegan Elkins of Traverse City takes notes during a lesson on safety gear during a welding class at the Traverse Bay Intermediate School District Career-Tech Center on Thursday.

### TBAISD renovation will open space in manufacturing, machining, welding classes

BY DANIELLE WOODWARD  
dwoodward@record-eagle.com

**T**aking shape for renovations to the Traverse Bay Area Intermediate School District Career-Tech Center that would open up coveted slots in some of the school's most popular skilled trade classes by next fall.

The district's board voted unanimously on Tuesday to accept a \$2.9 million bid from a contractor to expand the facility's manufacturing, welding and precision machining classes that were fast to fill this year.

Superintendent Mike Hill said construction likely will start in October to rework the center's welding classrooms and build an addition to house manufacturing and machining programs. The project, expected

to cost \$3.5 million total, is slated to finish by fall 2018.

Hill said the renovations would open space for 20 to 30 more students in all three programs, each of which has hovered near capacity for years — at times garnering wait lists — as regional demand for skilled labor continues to rise.

**SEE BOOM PAGE 2A**



Record-Eagle/Jen-Michael Stump  
Rick Mathis covers safety gear during a welding class at the Traverse Bay Intermediate School District Career-Tech Center on Thursday.

**"We're blessed to have modern equipment that functions very well. We don't want to replace something just for the sake of replacing it."**

Jason Jeffery, TBAISD assistant superintendent for general and career technical education

it has to do with more awareness around the region of how successful those graduates have been."

Students signed up in slightly smaller numbers for the precision manufacturing program, which still had a few slots open on the center's first day of school Wednesday. Class enrollment hasn't been enough to satisfy demand for the trade in years past, but Hill hopes that will change in the coming years with the new facility.

"That is something we're assuming will grow in the next five years," he said. Jeffrey said the center will see only a small addition on the northwest size of campus for its welding program, which boasts a 24-person wait list on top of the 50 students already enrolled this year. The program, which is supposed to be capped at 44

students, has for years been overenrolled with similarly sized wait lists. "I think students know there's a high degree of job demand there," he said. "It's a portable skill that they can take anywhere."

Hill said the addition would expand the welding program's laboratory space, adding work stations and welding equipment to accommodate more students.

That likely will be the only new equipment purchased for the project, Jeffrey said. Equipment for the center's manufacturing and machining classes will be shipped over from the old facilities at NMC.

"We're blessed to have modern equipment that functions very well," Jeffrey said. "We don't want to replace something just for the sake of replacing it."

**FROM PAGE 1A**

"We're trying to first take care of our students and also to help meet the demands of the region for the jobs they're trying to fill," he said.

All CTC classes will be housed under one roof once the renovations are finished, Hill said. A bulk of the project is a roughly 10,000-square-foot addition to the building's northeast side to make space for the Manufacturing Technology Academy and Precision Machining program, which are currently housed in Northwest Michigan College's Parsons-Stulen building.

"We absolutely see those classes as continuing to be very popular," said Jason Jeffery, assistant superintendent for general and career technical education at TBAISD. "There's great efficiency in having one state-of-the-art lab and classroom facility that all students in the region have the opportunity to access."

The school's Manufacturing Technology Academy is a STEM — Science Technology Engineering — and Math — program primarily preparing students for engineering and programming careers. Enrollment is at capacity this year with 55 students in the academy, where classes have hovered near capacity for several years, Jeffrey said.

"There definitely has been increased demand," he said. "I think a lot of



## Free Cyber Security Summit Offered Sept. 21

By Beth Milligan | Sept. 12, 2017

Networks Northwest will host a free Cyber Security Summit September 21 to help business owners become informed on how to protect their businesses and employees from becoming easy cyber targets.

The Summit will run from 8:30am to 12:30pm at the Northwestern Michigan College University Center at 2200 Dendrinos Drive. According to Networks Northwest, the event "is for key decision-makers at businesses of all sizes in all industries" and not just for IT staff. Presenters and topics will include:

- > ADVANCE Resources and Consulting: "Who is Interested in Your Company's Technology and How Do They Steal It?"
- > Michigan Manufacturing Technology Center: "Cyber Security: Meeting DOD Expectations for Supply Chain"
- > Small Business Development Center: "Cyber Workshop." Cyber security best practices, protecting company information, what to do if your company is breached, and more.

The summit will also include an Industrial Risk Mitigation Panel made up of cyber security experts including the state police, an attorney, a risk mitigation and cyber security consultant, and an IT specialist.

While there is no charge to attend the event, [advance registration is required.](#)

# Help wanted

Migrant farmhand shortage has unique impact on area farmers

BY ALEXANDER SINN  
CADILLAC NEWS

A shortage of labor caused by the national decline in migrant farmhands is being felt on farms around Michigan.

As the flow of migrant workers into the United States has decreased, many farmers have turned to visa-purchasing programs to secure workers. But the solutions for farmers are not equal.

Amy Martin, a dairy farmer in LeRoy, employs workers year-round, primarily for milking. While few of her workers are migrants, she said, it's not easy to employ the few she has.

"It is difficult for these guys to apply and get here to work," she said. "It is near impossible. And we need these people."

Farmers like Martin typically hire workers who present green cards, in compliance with federal laws. While other farmers have options for purchasing visas, dairy farmers don't have many options, MSU Exchange educator Stanley Moore said.

"There really are no legal avenues for migrants to work on a dairy farm," he said.

Dairy farmers cannot apply for



CADILLAC NEWS FILE PHOTO

In this file photo, a worker at Dutchman Tree Farm in Manton gets a tree ready to be shipped after it was harvested.

H-2A visa permits, which bring workers from Mexico for less than a year with a set hourly pay, providing visa fees, transportation both ways and housing. There is no equivalent system for dairy, Moore said, and this problem isn't fading — Michigan is No. 8 in dairy production in the U.S., and the industry is growing.

Martin said she hopes the system is simplified so more legal workers can join the workforce.

"They need an easier system to track people," she said. "(Migrants) need to be able to apply and get it. They need a process that's applicable for people who want to be here for a year or two."

FOR MORE, **TURN TO PAGE A2**

## Farm workers

CONTINUED FROM A1

Several factors are driving the shortage of workers, Moore said, including an improving economy in Mexico and more dangerous conditions for illegal border crossing. Stateside, the cost to farmers is exacerbated by a lack of interest in farm jobs from Americans.

"If they can do close to or as a good at a job that doesn't require them to do farm work, they seem to prefer not working on a farm," Moore said of the local workforce.

While migrant farmers have dwindled, worker permits pur-

While migrant workers have dwindled, worker permits purchased by farmers have grown in Michigan, from 442 H-2A visas in 2008 to nearly 6,000 as of July 2017.

chased by farmers have grown in Michigan, from 442 H-2A visas in 2008 to nearly 6,000 as of July 2017.

Dutchman Tree Farms in Manton has used H-2A for about two decades. Over the years, its migrant force has increased, not declined, as business has bloomed. About 200 migrant workers,

mostly arriving in fall, work for Dutchman during the Christmas tree harvest season, which begins around the end of September.

While Dutchman has experienced success with H-2A, Moore said, the program has flaws, and is difficult to start using.

"There is a learning process with H-2A," he said. "Even once you get (workers' visas), it's not all easy street, because we've experienced some issues with how quickly those orders get processed and if those employees can get across the border."

The H-2A program requires farmers to advertise jobs in local newspapers prior to hiring foreign workers. During half the contract period, if there is a qualified local worker who ap-

plies, the farm is required to hire that individual, and in some cases, farms have been stuck with two qualified workers for one job.

There can also be trouble during the application process, Moore said, and audits can be time-consuming and costly.

While there are efforts at the national level to expand H-2A to dairy farmers, the cap would need to be raised to avoid further burdening farmers currently using the program. A separate guest worker program would be a favorable alternative, Moore said, or the national cap on H-2A workers would need to be expanded or eliminated.

Some farmers that can't benefit from H-2A or still need more workers are finding creative

solutions to maintaining production, Moore said.

"Farmers are finding ways to be co-employers with another employer, or trying to share employing if they've got two different types, fruits and vegetables," he said. "They're trying to be creative in utilizing the workforce."

Foreign visas will continue to rise in the farm community, but for many like Amy Martin, whose workers are mostly Michigan natives, fixing immigration policy is only part of the solution.

"Finding qualified people anymore is almost impossible," she said. "It's the absolute truth that it is difficult to find employees."

# M-22 Benzie-Manistee Byway Committee to hold open house

## FROM STAFF REPORTS

ONEKAMA — The M-22 Benzie-Manistee Pure Michigan Byway committee will host a public open house from 5:30-7:30 p.m. on Sept. 20 at the Onekama Township Hall, located at 5435 Main St. in Onekama.

The byway committee is gathering public input on the Corridor Management Plan. There will be no formal presentations, so citizens, businesses and organizations may come at any time and to review sections of the plan and maps, speak with committee members and provide input.

Comment cards will be available for attendees to share their thoughts about the future management of the byway. The public can also review a copy of the Corridor Management Plan and share comments at [www.nwm.org/m22bywayplan](http://www.nwm.org/m22bywayplan).

Hard copies of the Plan will be available for review at the following locations: the Pleasant Valley Community Center in Arcadia, Onekama Township Hall and the Frankfort Public Library. The public comment period ends on Oct. 13.

The overarching mission of the Corridor Management Plan is to promote and communicate the quality assets along the M-22 Benzie-Manistee Byway corridor and the access to those assets. The purpose of the Corridor Management Plan is to provide an understanding of the state-designated Pure Michigan Byway and the goals for the corridor. The plan includes:

- Maps identifying the corridor boundaries;
- Information about population and land use along the corridor, including traffic counts;
- An inventory of intrinsic qualities including scenic, natural, historical, cultural, and recreational assets;
- Goals and objectives for the corridor;
- A list of projects and action steps; and
- A financial plan.

The M-22 Benzie-Manistee Byway Committee is comprised of representatives from local governments, agencies and organizations, and works in cooperation with the Michigan Department of Transportation (MDOT).

Funding assistance for this project came from Benzie and Manistee counties and the Michigan Department of Transportation. The Alliance for Economic Success, Networks Northwest, and the Michigan Department of Transportation are active partners in the committee's activities.

Al Taylor, chair of the M-22 Benzie-Manistee Byway Committee stated, "We want to hear about the byway traveler's experiences along M-22, what they like about the highway and its amenities, what they think needs to change and/or preserve, and what type of amenities are important for the community to feature through an economic development lens.

"We have heard some great ideas from committee members and community members through the Lakes to Land master planning and recreation planning process, and we are excited to hear more," Taylor added. "Obviously, there are physical and financial factors that will impact the future of the Byway corridor. We want to learn about people's preferences and invite their involvement to inform and guide the management process."

## **Starting a Business Workshop set for Sept. 19**

### **FROM STAFF REPORTS**

MANISTEE — Individuals in the beginning stages of starting a business, in need of accessing capital, or simply considering self-employment will have the opportunity to attend a Starting a Business workshop Tuesday, September 19 in Manistee.

The workshop is being offered by the Northwest Michigan Small Business Development Center (SBDC) in partnership with Baker College of Cadillac and is co-hosted by the Manistee Area Chamber of Commerce. The workshop is being held from 9 a.m. to 11:30 a.m. at the West Shore Medical Education Center, Classroom 2, 1465 East Parkdale (US 31).

The workshop will be facilitated by SBDC Small Business Consultant, Joni Krolczyk. She will help aspiring entrepreneurs assess their abilities to lead and manage a company and evaluate market and sales potential for their products or services.

This comprehensive 2.5 hour workshop also incorporates the SBDC's fundamental Writing a Business Plan workshop and fully covers topics such as determining concept feasibility, startup costs, financing options, the basics of business planning, along with other necessary resources to launch. This workshop is a requirement prior to meeting with an SBDC consultant one-on-one.

There is no charge to attend the workshop, but pre-registration is required by contacting the SBDC at (231) 922-3780. Online registration is also available at [sbdcnorthwest.org](http://sbdcnorthwest.org).



# New GED and career prep program available in Manistee.

September 18, 2017

## New GED and career prep program available in Manistee.

MANISTEE — A new career-oriented GED program is being offered in Manistee. The Jobs for Michigan's Graduates (JMG) Career Readiness program is tied to GED prep and is being offered in collaboration with the Northwest Michigan Works! Adult Education Learning Lab. JMG Specialist Cheryl Wolfram will provide career preparation, volunteer opportunities, and job training and placement assistance for GED students ages 17- to 24-years old.

The JMG Career Readiness program is available to young adults who are serious about completing a GED and finding gainful employment. The program will start Monday, October 9 at 9 a.m. and will meet weekly on Mondays at the Manistee Northwest Michigan Works Center, 1660 US 31 South. There is no charge to participate in the program and participants may enroll at any time.

For pre-enrollment information or to register for the October 9 meeting, contact Cheryl Wolfram at [cheryl.wolfram@networksnorthwest.org](mailto:cheryl.wolfram@networksnorthwest.org) or 231-620-5275.

Along with the program in Manistee, Northwest Michigan Works! coordinates JMG programs at the Charlevoix-Emmet Intermediate School District, the Traverse Bay Area ISD Career-Tech Center, and the Wexford-Missaukee Career Tech Center.

Jobs for Michigan's Graduates is the leading program of Youth Solutions, Inc., a youth opportunity organization whose mission is to equip young people with the skills to overcome barriers and win in education, employment, and as citizens. Youth Solutions is the state-based affiliate of the national Jobs for America's Graduates organization ([jag.org](http://jag.org)), one of the largest and most successful school-to-work systems in the United States. The JMG model consists of a comprehensive set of services designed to help young people achieve education and career goals. For more information on Youth Solutions and its Jobs for Michigan's Graduates programming, visit [ouryouthsolutions.org](http://ouryouthsolutions.org).

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## Farm-To-School Program Celebrates 15 Years, Looks To Future

By Beth Milligan | Sept. 20, 2017

An effort that began 15 years ago to help farmers get more of their products into northern Michigan schools has expanded into a state-wide program serving fresh produce to an estimated 95,000 students across 29 Michigan counties. At a press conference Monday, the Groundwork Center for Resilient Communities released a report summarizing the program's growth and possible future expansion. The update coincides with a series of Traverse City events this week celebrating visiting farm-to-school advocate and celebrity chef Alice Waters.

The Groundwork Center first began writing about putting local food products into school cafeterias in 2002. Writer Patty Cantrell noted that despite an abundance of farms surrounding Michigan schools, food service directors often relied on national distributors to deliver Washington apples, Texas strawberries and other "large quantities of food, often in preprocessed form, to their doorsteps on a weekly basis." While cold storage and hydroponics made it possible for even mid-winter school menus to feature Michigan products, Cantrell wrote, the challenge was building connections between farmers and schools to facilitate local sales and distribution.

For the next several years, Groundwork Center worked to connect farmers with school food service directors. The 2008 launch of Traverse City foods distributor Cherry Capital Foods solved a major missing piece of the distribution puzzle, while grant funding boosted efforts by the MI Farm Cooperative to purchase equipment to process and bag farm products for schools. But it was a 2013 Groundwork Center pilot called "10 Cents a Meal" that took the farm-to-school movement to the next level.

Funded by grants and local business sponsorships, Groundwork Center offered 10 cents per meal in funding to Glen Lakes Community Schools and elementary schools in Traverse City Area Public Schools (TCAPS) and Suttons Bay Public Schools for purchasing locally grown fruits and vegetables. Districts were required to match the 10 cents out of the estimated \$1-\$1.25 they were spending per student lunch. Prior to the pilot launch, the three participating school districts spent \$30,000 on local food products; after two years of 10 Cents A Meal, they spent nearly \$150,000, an average increase of 142 percent per year. After four additional districts joined the program, the seven participants started purchasing 25 different food products from 36 local farms.

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The pilot's success caught the attention of State Senator Darwin Booher, who introduced legislation to bring 10 Cents a Meal to other school districts across Michigan. In 2016, Michigan legislators agreed to provide \$210,000 to 16 schools districts in northwest and west Michigan with a required school match, bringing total spending to \$420,000 supporting 86 farms in 26 counties. The program served 48,000 students last year. This year, an approved expansion of 10 Cents a Meal raised funding to \$375,000, serving approximately 95,000 students in 29 counties.

Both state and local officials are now eyeing expanding 10 Cents a Meal to every county in Michigan. In the Groundwork Center's report, Networks Northwest CEO Matt McCauley states the program "has the potential to touch a lot of people's lives in many ways. It addresses a variety of different issues, including education, agriculture, nutrition and logistics – pieces that are important to every community, urban and rural, in Michigan." Interim State Nutrition Director Diane Golzynski at the Michigan Department of Education adds that boosting educational achievement in the state depends on providing reliable access to healthy food, so students "don't have to think about where their next meal will come from and can focus on being good students."

At Monday's press conference, TCAPS Food Service Director Tom Freitas said 10 Cents A Meal organizers dream that "one day all the schools in Michigan are going to be getting that 10 cents. Demand will drive the supply, and before long Congress and everybody will see how much money this has created in our economy." Freitas highlighted how having students meet with farmers, grow school gardens, and eat locally sourced produce has expanded their palates and boosted demand for healthy food.

"Our hope is that we are successful enough that the kids are taking the parents to the fruit and vegetable section," Freitas said.

The release of Groundwork Center's farm-to-school report this week comes ahead of October's national Farm to School month, as well as a visit to Traverse City this week from farm-to-school pioneer and acclaimed chef Alice Waters. A sold-out National Writers Series event with Waters will take place Sunday (Sept. 24) at the City Opera House, including a benefit reception for the Edible Schoolyard Project and Groundwork's farm-to-school program. Waters will also meet with groups including Front Street Writers and Cordia Senior Living at Grand Traverse Commons, introduce a 7pm screening Wednesday of *The Baker's Wife* at the State Theatre, and dine at local restaurants throughout the week.

Cherry Capital Foods and Taste the Local Difference, meanwhile, will host a Local Harvest Restaurant Series this week through Sunday, [with more than 15 restaurants and bars offering a "Harvest Week Special" menu item](#) that is 100 percent locally sourced and/or inspired by one of Waters' cookbooks. Ten percent of the proceeds from the restaurant series will go to The Edible Schoolyard Project and Groundwork Center's farm-to-school program.



## Housing Summit Next Month

By Ticker Staff | Sept. 20, 2017

The 2017 Northwest Michigan Housing Summit will bring together community leaders, businesses, housing agencies and funders on Oct. 16 at the Hagerty Center. The event will feature a presentation by Laurie Volk of the market research firm Zimmerman Volk Associates, focusing on the region's population dynamics and their impact on housing and retail markets. Bob Filka, CEO of the Home Builders Association of Michigan, will share highlights from a report detailing the challenges builders face in meeting Michigan's housing needs, and potential solutions.

Other topics on will include discussions on the impact of statewide policy on housing at the local level and what to do about it; accessing capital for new development in small cities and rural communities; getting a community ready for development; and creative affordable housing options for region's housing needs. Tickets for the summit, which will run from 9am to 4pm, are \$50. Register prior to Sept. 25 for \$40. For more information or to register, [click here](#) or call 929-5077.

## **Housing Summit set for Oct. 16**

TRAVERSE CITY — The third annual Northwest Michigan Housing Summit will be held on Monday, Oct. 16, from 9 a.m. to 4 p.m. at the Hagerty Center at 715 East Front St.

Laurie Volk from the market research firm Zimmerman Volk Associates will deliver the keynote presentation, focusing on the population dynamics of the region and their impact on housing and retail markets. The summit will also feature the builder's perspective from Bob Filka, chief executive officer of the Home Builders Association of Michigan. Filka will share highlights from a new HBA of Michigan report.

Other topics on the agenda include the impact of statewide policy on housing, accessing capital for new development in small cities and rural communities and creative affordable housing options.

Cost to attend the summit is \$50 and the registration deadline is Oct. 6. Register by Sept. 25 for \$40 early-bird pricing. For more information or to register, go to [www.nwm.org/housingsummit](http://www.nwm.org/housingsummit) or call (231) 929-5077.

# Trade school students fill gap in construction worker shortage

BY ALEXANDER SINI  
CADILLAC NEWS

**CADILLAC** — McBain junior Levi Ford shoveled dirt from inside a 10-foot-deep pit in Cadillac.

He and 16 other Westford-Missaukee Career Technical Center students worked as a unit, a shovel in each pair of hands, laying the foundation for what will become, in two years time, a fully-functional modern home.

Ford observed construction work at an early age, learning from his father and grandfather, who worked for years in the industry.

"Chicken coops, barns, odds and ends around the house," Ford said. "It was fun watching them and learning."

While his father has always taught him, Ford said he hopes to gain real-world experience in the tech center's Applied Construction Technology program on his way toward a career in the field.

"Everything he does, he explains it," he said of his father. "I know a lot of the background, I just don't have a lot of firsthand experience." Current high schoolers may not have vivid memories of the economic hardships of a decade ago, but they are part of the ongoing solution.



ALEXANDER SINI/CADILLAC NEWS  
CTC Applied Construction Technology student Bobby Pierson, wearing the white helmet, and students set the foundation for a home that will take two years to complete.

"If they can get a young student who's eager to learn, they'd rather take them in with very little experience out of our program and groom them the way they want them taught," he said.

One former student of VanBuren's is a member of the Millwrights Union in Manistee. Several are doing apprenticeships, two female students are pursuing construction management at Ferris State University, while another is in the Ferris State HVAC program.

Many jobs in the field, especially those on the management end, tend to pay high salaries, VanBuren said.

FOR MORE, **TURN TO PAGE A2**

## Construction

CONTINUED FROM A1

Demand has only increased for young workers, he said. In 2016, skilled students were in higher demand than any point during VanBuren's 12 years teaching trade skills, he said.

"That demand is staying true, especially if you look around the nation at some of the natural disasters happening," he said. "They're already short on workers, and now it's going to be worse."

While the recession drove workers from the field, the existing workforce is aging, said Judy Vajda, executive officer with the Grand Traverse Area Home Builders Association. The association and other organizations are always seeking new ways to put contractors in touch with students at tech centers, she said.

Part of the solution to the worker shortage is engaging students early and providing opportunities to grow their interest, she said.

"Younger people may not have developed the interest because we don't have shop class in our junior high and high schools anymore," she said. "Even if there could be an interest

developed, there isn't the opportunity there."

Tech center students benefit from real-world work opportunities while they're still learning, Vajda said.

"What we've found in the past is students will attend tech courses at school, but when it comes to their jobs, they'll go out and get a waitressing job or fast food, rather than a job that they're interested in," she said.

The Grand Traverse Area HBA holds an annual fundraiser to bring the regional construction community together to focus on topics facing the industry while raising scholarship dollars for students attending. This year's fundraiser focuses on the role of apprenticeship programs. The HBA also launched a website for contractors to find skilled workers, many of whom are students.

Despite the continued worker shortage affecting the industry, Vajda said, there has been an increased awareness in recent years, and opportunities are abundant for students headed into the workforce.

"There's a misconception that if you go into the skilled trades, it's basically you're swinging a hammer, you're working in the

weather elements," she said. "There's more than that. We want students of all CPAs to be interested in the skilled trades. If we get the word out and we start introducing students hands-on, we can grow the trades."

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## Acme First Step Toward Connecting Trails

By Ross Boissoneau



It's easy to drive from Traverse City to Charlevoix on US-31; now area trails organizations are working to provide a way for non-motorized vehicles to do the same – and potentially extend it to the north and east as The proposed Traverse City to Charlevoix Trail (TVC-CHX Trail) would link the communities of Traverse City, Acme, Elk Rapids, Eastport, Norwood and Charlevoix and on north to Petoskey and Harbor Springs. It would do so by connecting two regional trail networks, the Little Traverse Wheelway on the north and this area's TART Trail.

TART Trails Executive Director Julie Clark says work in Acme is the first leg, to be followed by connecting Acme to Elk Rapids.

"There have been some interesting developments," she says. "The first leg is ... for next year as part of the Bayside Park." TART Trails recently received matching funds for trail construction from North Bayside Park to Deepwater Point Natural Area in Acme.



One potential snag beyond Acme could await in Elk Rapids. The Elk Rapids Township Board has rescinded its original resolution of support after several landowners expressed reservations about the trail. Clark says there was support for the trail from those in attendance during a recent meeting, but the Board did not change its stance.

Meanwhile the Village of Elk Rapids has lined up to support the trail (the Village comprises 62 percent of the township population). Elk Rapids Village President Pro-Tem Barb Mullaly issued a statement that "the Village remains supportive of this project and will work with our neighbors and partners to create a trail that serves the community. It is unfortunate the township has chosen to take themselves out of any input regarding process on a trail that will ultimately run through our community."

Mullaly noted that the trail is included in the Village and Township Collaborative Master Plan and is widely supported by residents

The overall TVC-CHX Trail is referred to on the TART website as "a long-term project," and Clark declines to put a timetable on it.

"Leelanau took nearly 30 years. I hope we can accelerate that timeline. It's all about community readiness and support. Michigan is a glacial state," she adds.

Michigan boasts one of the largest interconnected trail systems in the country. If and when completed, the Traverse City to Charlevoix Trail would link TART's 28 miles of trail between Suttons Bay and Acme with Top of Michigan Trails Council's 26-mile Little Traverse Wheelway Trail. Closing that 46-mile gap would create a 325-mile non-motorized transportation and recreation trail network. A concept plan and development guide was created in December of 2015 by The National Park Service's Rivers, Trails, and Conservation Assistance Program with TART Trails, Top of Michigan Trails Council, Grand Traverse Regional Land Conservancy, Networks Northwest and Northwest Design Group.

The groups proposing the trail connection cite studies which have shown that trails make communities more livable, improve the economy through tourism, preserve open space, and provide opportunities for physical activity.

And at the point when the Traverse City to Charlevoix Trail is complete – it won't be all done. The overall vision of TART, the Top of Michigan Trails Council and other groups is to have a completely integrated set of trails throughout northern Michigan. That could include the Heritage Trail in western Leelanau County and the Betsie Valley Trail in Benzie County, as well as trails to the northern and eastern side of the state, including Mackinaw City, Gaylord and Alpena.

"It's an exciting time," says Clark. "The community wants it, Acme wants it. We're excited."

## Regional shortage, costs create struggle for parents

BY DANIELLE WOODWARD  
dwoodward@record-eagle.com

**T**RAVERSE CITY — Abbie Rosinski may be on maternity leave, but mornings in her cozy Grawn home begin promptly at 7:30 a.m.

By that time, the new mom is awake and ready for another day with her 3-month-old daughter, Emmie, who keeps Rosinski plenty busy. But the daily routine of caring for her newborn is now coupled with a new task Rosinski thought she'd squared away months ago: A frantic search for child care.

Rosinski, a teacher at Traverse City Area Public Schools, planned to return to her classroom from maternity leave in October and found a spot for Emmie at an in-home day care provider slated to be licensed by then. Rosinski was less than two weeks shy of her return when she got the call: The providers had overestimated the number of kids they could take in, and didn't have space for her daughter.

"When you're looking at two weeks, it's really overwhelming, especially when you've already called everywhere," she said.



Preschool teacher Bailee Kuhn gets hugged by Brielle Rider, 5, front left; Connor Kupferer, 4, front; Dominic O'Brien, 2, front right; and Mabel Belyea, 3, back, at Bayview Childcare Center and Preschool in Traverse City.

The notice left her scrambling for child care amid a regional shortage that often forces parents to begin searching months before their child is born. Rosinski started looking the first time around in January, months before her due date in

late May. She and her husband had waded through lengthy wait lists and high prices fueled by increasingly strict regulations and a dwindling number of caretakers.

**SEE CARE PAGE 2A**



# CARE

FROM PAGE 1A

"I've spent countless hours just researching and searching for day cares ... knowing we might have to pay a little more because of the shortage to find someone who can do a good job," Rosinski said. "I might end up having to extend my maternity leave."

Great Start to Quality coordinator Mary Manner said the pinch has only grown worse since she first noticed it in 2014, when the non-profit, which aims to connect families with child care, began fielding increasing calls from parents in need of infant care.

"There's a big gap between the number of children in care and the number that need it," Manner said.

A 2017 Great Start survey of licensed child care providers in Grand Traverse, Leelanau, Antrim, Benzie and Kalkaska counties supports her claim. The non-profit found of roughly 1,100 children with both parents working outside the home, only 660 were in licensed child care.

## NOWHERE TO GO

Rosinski was about five months pregnant when she began searching for child care, which fellow parents were quick to point out was not soon enough.

"They were like 'Uh, what are you doing?' You need to start looking now," she said. "I believed them but I didn't know to what extent."

Rosinski's fears were confirmed when she was met with yearslong waitlists at every turn. Rosinski said she is No. 16 on the waitlist for Teddy Bear Daycare's infant room and No. 7 at Central Day Daycare, where she can expect to wait up to 2 years for her spot to open up.

"The biggest shortage that we see right now is for infants and toddlers," Manner said. "The waitlist for infant care is about a year long."

Much of that shortage stems from state regulations limiting the number of infants a child care center or in-home provider can take. The Michigan Department of Licensing and Regulatory Affairs allows up to nine infants per room in a child care center, but requires a ratio of one caretaker for every four infants.

That means day cares like Bay View Childcare Center can take only eight infants at a time, said Administrator Carly Lafreniere. The center, which opened in September, filled up almost immediately after it was approved in April — its infant room now boasts a 42-family waitlist.

"We don't have any openings for the next four years,"

## Voices

"I went on the Grand Traverse County licensed day care page, and went through every single day care provider in Grand Traverse County. I would look up the addresses, see if it was within a 10-mile radius, look at the reports then call to see about openings. I called 30 day cares, ending up on three waiting lists with one callback." — Janell Scott-Devol

"I looked for almost a year, and we're on many waitlists and still haven't had any callbacks." — Beatrice Draper, Elk Rapids

"I've been looking for child care in the Mesick and Traverse City area for 2 years. The cost of child care is so insane, it doesn't even make sense for most parents to go back to work ... I've had to work way part time just to be able to make a few dollars and get out of the house for social interaction." — Samantha Lane, Mesick

"For our family, I stay home ... for the desire to want to raise my children instead of a stranger ... Even if I went back to work, there aren't any openings for two out of three of my children.

Lafreniere said. "By the time these kids get off the waitlist, they will be in preschool."

Waitlists that long aren't an option for Jennifer Hansen, who was forced to quit her job at Menards when she couldn't find care for her 11-month-old daughter, Chloe. Hansen said she's lucky to get more than an hour of sleep between caring for her daughter and the job she picked up working nights at Meijer. She knows her lifestyle isn't sustainable.

"Right now we are living comfortably, but if I get so exhausted to where I can't do this anymore, I don't know what we're going to do," she said.

Lengthy waitlists aren't her only roadblock. Hansen said her monthslong search for a licensed child care provider yielded rates from \$45 to \$60 per day — far outside what her Menards paycheck could afford.

"I would have to get a loan just to be able to go to work and pay for day care," Hansen said. "How are you supposed to pay your rent, pay (for) your cars and still get food on the table? It just seems impossible."

The financial toll of child care — especially for a newborn — is one felt throughout the region. Parents in Grand Traverse County can expect to shell out \$714 each month per infant, according to the Food Bank Council of Michigan's 2017 Self-Sufficiency Standard report. The standard measures how much income a family needs to cover basic expenses like housing, child care, health care and food.

Grand Traverse County's self-sufficiency standard for two-parent families with an infant ranked ninth highest the state, with nearly \$50,000 needed to make ends meet. Housing and child care alone made up more than half of those expenses. Leelanau County came in even higher at No. 3 on the list, with more than \$54,000 needed per household.

Parents like Hansen who can't afford the high costs often see unlicensed caretakers as their only option.

"It's honestly easier to find the unlicensed caretakers," said Hansen, though she still has to "feel a person out and really know them" before trusting them with her child.

She recently began taking Chloe to an unlicensed caretaker twice a week for \$30 per day. The situation is not ideal — it's still a 45-minute drive from her house — but it allows Hansen a few extra hours of much-needed sleep.

But the world of unlicensed care didn't always work so well for Hansen. After Chloe was born, she had been desperately searching for child care when she found an unlicensed provider at just \$20 per day. That lasted three weeks before she pulled her daughter from the program, claiming her daughter had been left all alone in a dark room when she came to pick her up and that her daughter had been left screaming and crying long enough to lose her voice twice, resulting in trips for urgent care.

"It took me awhile to realize that when you get cheaper day cares, you have to expect what you pay for," she said.

## SAFETY AT A COST

Amber Rousseau, a licensed child care provider, understands the frustration of parents like Hansen. But the owner of Blessings Childcare LLC also knows that offering in-home child care comes at a hefty cost.

There's the liability insurance — which can range from \$300 to upwards of \$700 a year — the cost of yearly CPR and first-aid renewals, licensing changes, food programs, safety inspections and purchasing the proper equipment to meet a long list of LARA regulations that only continues to grow, Rousseau said.

"There are just so many little things," she said. "There's so many underlying costs that they don't see."

Manner noted ever-changing state regulations cover almost everything about a facility — from food requirements to window heights — and the cost to meet them builds up quickly.

"As those regulations have

So I couldn't work even if I wanted to." — Christine Hollenbeck, Traverse City

"I have been on the waitlist at Central Day Care for more than two years for child care!" — Stephanie Kleinow, Traverse City

"I'm a single, first-time mom and finding child care was beyond stressful. I ended up changing my career plans to better suit available child care options." — Jenna Stoddard, Traverse City

"I have twins and it was next to impossible to find care." — Chalice Kopacki, Traverse City

"My husband and I choose to work opposite shifts, because between being on waitlists and putting two children in child care it would take my entire full-time paycheck." — Ariel Diamond, Traverse City

"I've been a provider since 2005. I'm full with a waiting list. I wish I could help more families but my neighbors fought me on moving up to a group license." — Amy Toepfer Middaugh

Editor's note:

Quotes have been edited for clarity and spelling.

gotten tighter, more people have either found it economically impossible to keep up or in some cases, they've actually been prohibited from renewing their license," she said.

The alternative is to compensate for the extra costs with higher rates or forgoing renewing their license altogether.

Rousseau said her rate was lower when she first opened in 2016 before she knew what it would cost to maintain her in-home day care in line with state regulations. She chose to raise her rates to \$35 per day but said she's noticed a rise of unlicensed caretakers, whom she suspects have started taking business away from her.

"There's no overhead or anybody checking in, so they can offer cheaper prices," Rousseau said. "We all would love to do that, but we are in a spot where our overhead takes up a lot of our money."

She initially opened her day care for ages 12 months to 5 years old because of the strict regulations required for infants under 12 months, but said a shortage in that age group forced her to start taking infants to keep her six day care slots full.

Rousseau said she's not against unlicensed providers, but fears the lack of regulation could be unsafe for children.

"It's just the fear we have of what they don't know, and the safety of what parents don't know because they're in a bind," she said.

## NO PAY, NO PROGRESS

The median pay for a child care worker hovers just under \$20,000 in Michigan.

If that number doesn't rise, Manner doesn't see the state's child care gap closing any time soon.

"The wages are low, the hours are long, there are no benefits," she said. "There's not a lot of incentives to stay in the business."

LaFreniere agreed. Her child care center is part of Bayview Wesleyan Church, which covers most of her overhead costs and allows her to pay workers between

\$11.50 and \$12.50 per hour. She knows most centers aren't as lucky.

"You lose money in infant care," she said. "It costs to pay somebody to be a quality staff member, but then you have to turn around and charge families."

One solution to that is offering more families access to federal subsidies, Manner said. Michigan had the country's lowest income eligibility levels in 2016, only offering subsidies to households making 120 percent of poverty level. That limit increased to 125 percent in 2017 — with 130 percent slated for the 2018 budget — but it still pales in comparison to the national standard 225 percent limit, Manner said.

"There is a recognition that there is money in the system and we can help more low-income working families access quality care for their kid," Manner said.

## ADJUSTING TO A NEED

Tentcraft employees don't need to worry about finding child care right away, thanks to a new program the company launched in January allowing new parents to take their infants to work.

"We, along with many others, identified day care as a social economic issue that employers don't necessarily tackle in northern Michigan so we wanted to address that," said Human Resource Director Rob Hanel.

The program allows employees to take infants between the ages of 8 weeks and 6 months to work, where

they are required to be under parent supervision at all times, Hanel said. The company installed changing tables in each bathroom and made a "new mothers room" with amenities to breast-feed and store milk.

Other local employers like Munson Healthcare and Grand Traverse Resort and Spa are combating the shortage with employee child care programs. Hanel said the infant program's success inspired Tentcraft to look into an on-site day care.

"That's a much bigger beast, but it has inspired us to at least look into what it would take," he said.

The Grand Traverse County Economic Development Corporation also has talked about turning the Governmental Center's empty lower level into a day care, said board Chairman Warren Call. He said the EDC could potentially rent the space to a day care provider at a reduced or subsidized rate, but would still need to look into the renovations necessary to make it useable.

"One of the hangups to economic development, especially in this town, is lack of child care," Call said. "We thought if we could help address that in a small way, it would be beneficial."

But as companies and local government struggle to address the shortage, parents have taken to social media for a quicker solution. Jill Achard formed the Facebook group "Looking for Licensed Daycares in Northern Michigan" six years ago when she had trouble finding day care for her son. The group now boasts more than 2,000 members and is busier than ever, she said.

"I'm seeing more posts to the page in the last year than the previous years," Achard said.

Rosinski joined the group the first time around when calls to friends and day care centers yielded no luck. She'll monitor the group again in the coming weeks while frantically searching for a new center or in-home child care provider to take Emmie.

"I have a couple leads but it's definitely difficult," Rosinski said. "I'm still searching furiously."

OUR VIEW

# Day care shortage hobbles TC economy, drives away workers

**N**orthern Michigan's booming vacation paradise is sailing toward a perfect storm of supply and demand.

It doesn't take more than a little scuffling at the Grand Traverse region's polished surface to find a triad of forces tightening around working-class families like a vice, squeezing many until they simply flee for better opportunities. They are economic pinches that individually — or even in a pair — are possible to overcome in short order.

The tired old phrase "a view of the bay means half the pay" has been tossed around for generations but today has collected a pair of insidious partners that have begun fueling an exodus of much-needed middle-income, working families from the region.

That low pay of lore now is flanked by steep housing prices and nearly impossible-to-find child care. The economic trifecta has already begun pummeling the people who make the region more than just a cluster of vacation and retirement homes.

The latter is a particularly damaging hurdle that, if not addressed in a meaningful way, likely will drain the five-county region of the people who could fuel a wave of prosperity.

Responses to a single social media post last week explains the dire supply and demand predicament families have wrestled with for at least the past two years. That note, a request dispatched by a reporter asking for input from parents who have struggled to find adequate child care, was met with a flood of responses that nearly all echoed a message that should concern anybody who hopes for the

region to thrive.

There simply isn't enough.

Notes from parents like Beatrice Draper painted

a picture of an impossibly strained day care market that leaves families — if they're lucky enough to secure one of the scarce slots available — buckling under the cost associated with securing even adequate accommodations.

"I looked for almost a year, and we're on many waitlists and still haven't had any callbacks," she wrote.

Those public declarations simply are expressions of conversations families and friends have become accustomed to during the past two years.

It's a troubling reality the region's working-class families have faced for at least the past two years, one that has progressively worsened. Those families have piled into queues, waiting, hoping for calls that never come. Instead, hundreds each year who aren't lucky enough to hit the local child care lottery must make difficult choices to change jobs, work nontraditional shifts, quit working or move away from the area altogether.

The solution isn't as easy as building another day care center or recruiting a few more workers. It is the kind of problem that compounds other economic stressors and will require meaningful, thoughtful effort to solve. That solution may begin with a community conversation that recognizes the child care shortage likely is the single biggest threat to prosperity in the region.

We are long overdue for an honest conversation about protecting the people who will continue to lift the region to prosperity.

## The issue

■ Traverse City day care shortage worsens by the week

## Our view

■ Child care problems will drive away the community's most important asset

## Northwest Michigan Works! Helps Displaced Worker During Difficult Time

September 26, 2017

Ricc Ricciardi worked for the State of Michigan for 25 years. But when the Pugsley Correctional Facility near Kingsley closed in September of 2016, another state employee bumped Ricc out of his job at the Oaks Correctional Facility near Manistee. He found himself unemployed just one month after his wife had passed away.

“That and my wife passing was devastating,” said Ricc. “Everything I knew, my whole existence for 25 years was gone. It was horrible.”

After he was laid off, Ricc went to Northwest Michigan Works! in Manistee to register for unemployment. Career Facilitator and Grant Specialist, Evelyn Szpliet, let him know he was eligible for funding from a State Adjustment Grant that would cover the cost of training for a new job. But Ricc said he thought he would get called back to his job with the State so he didn't immediately take advantage of the training opportunity. A few months later Evelyn contacted him again.

“When I first talked with Evelyn I was kind of matter of fact. I was just doing what I was required to do,” said Ricc. “Thankfully she followed up because I was not in a good place.”

Evelyn and Northwest Michigan Works! Training Coordinator, Tina Holden, helped Ricc enroll at Pinnacle Truck Driver Training in Cadillac, and the State Adjustment Grant paid for the training. In March of 2017, Ricc completed the training and was ready to start his new career.

“All of a sudden all these job offers were coming and I could pick the company,” said Ricc. “They all wanted me. The phone was ringing off the hook. That was amazing.”



Ricc took a job with NTB Trucking in Grand Rapids. He said there's no way he would have been able to accomplish what he did without the help he received from Northwest Michigan Works!.

“Evelyn I guess kind of save me,” said Ricc. “Your program saved me.”



# the BIZ

## I N B R I E F

From staff reports

### **Defense industry outreach event set**

**ACME** — An industry event to simplify and streamline the process of doing business with the Department of Defense will be held on Thursday, Oct. 12.

The U.S. Army's Tank Automotive Research, Development and Engineering Center External Business Office Industry Outreach Event will unite industry, government and academic partners. Representatives from TARDEC, the event will also include representatives from the U.S. Army's Tank and Automotive Command, the Defense Logistics Agency and the Michigan Defense Center.

The event runs from 8:30 a.m. to 4:30 p.m. Registration and networking will begin at 7:30 a.m. A continental breakfast and lunch will be provided. There is no charge to attend but advance registration is required at [www.nwm.org/tardec](http://www.nwm.org/tardec).



6/19/2017

The Honorable Rick Snyder  
Governor of the State of Michigan  
P.O. Box 30013  
Lansing, MI 48909

Dear Governor Snyder,

I am writing you today as a cheerleader for the Northwest MI Works! program and staff here in Traverse City. I'm the director of Human Resources for Bagger Dave's Burger Tavern, and was unaware of the unique challenges for employers specific to this region when it comes to staffing. I participated in Northwest MI Works! Employer of the Day Program and was able to get twenty-four new applicants for the Traverse City Bagger Dave's, of which we hired four.

Not only did I see tangible results from the Employer of the Day Program, but the suggestions and advice re: finding good potential employees up here in Traverse City that I received from the staff was/is invaluable. From the brief time that I spent there, I can tell you first hand that the staff takes a genuine interest in helping people compose resumes, search for jobs and careers where they can thrive, and acquiring the skills needed to interview well and eventually be successful in their chosen fields. I'd like to specifically mention Sharon Gordon, the Business Services Specialist who not only set me up for Employer of the Day, but gave me some really good advice on how to highlight the things that would make Bagger Dave's stand out and attract the type of high quality/high integrity people that we are looking for.

Thank you for providing a resource that is incredibly valuable to the northwest Michigan community! As employers, not only are we able to partner with Michigan Works! to find and connect with potential new hires, but they provide employment trend, wage analysis, and market trend data as well. I love the work that they do in regards to getting our Veterans back in the workforce as well. The services provided are much appreciated and contribute directly to our success as a company.

Kind Regards,

**Anthony Cann**

*Director of Human Resources*

e: [acann@baggerdaves.com](mailto:acann@baggerdaves.com)

p: 231-486-0527 ext.706

**BAGGERDAVES.COM** • Makin' Regulars



June 13, 2017

The Honorable Rick Snyder  
Governor of Michigan  
P.O. Box 30013  
Lansing, MI 48909

Dear Governor Snyder:

This letter is being written in support of Northwest Michigan Works Business Services.

Clark Manufacturing is a machine shop located in Traverse City, Michigan. We employ skilled CNC machinists and we provide an excellent compensation, bonus and benefits package. Our average wage paid to CNC machinists is \$20/hour. We currently employ 85 people with considerable growth opportunity in the near future.

Over the years, Clark Manufacturing has utilized services from Michigan Works to assist in hiring, training and other areas. As a small business, we have found that the services offered are incredibly useful and an incredible asset to our business.

Over the past 6 months of 2017, Clark Manufacturing has hired 20 people and Michigan Works has assisted us with in finding about 25% of these hires.

Clark Manufacturing would like to specifically state our support of the quality workforce development service and engagement that is being done locally. To date we have received financial assistance by using the federally funded On the Job Training (OJT) wage reimbursement program and we are currently assessing our training needs for potential use of the Incumbent Worker (IWT) and/or Skilled Trades Training Fund (STTF) training programs. Programs like these truly help small businesses to onboard new talent and ease with the training of those individuals.

Thank you for continuing to offer these great programs and know that we appreciate all the services Northwest Michigan Works is able to provide to the manufacturing community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Novik', written in a cursive style.

Michael A. Novik  
Controller



5057 Sawyer Woods Drive  
Traverse City, MI 49685  
Ph – 231.922.8626  
Fax – 231.922.2007  
T.F. – 866.922.8626

July 12<sup>th</sup> 2017

The Honorable Rick Snyder  
Governor of Michigan  
P.O. Box 30013  
Lansing, MI 48909

Dear Governor Snyder,

This letter is in support of Michigan Works! from a small electrical business based in Traverse City, Michigan. We have found that Michigan Works! is a useful aid to our company, as it has helped with job training programs, personnel growth and labor screening. Michelle Socha has been especially kind and cooperative with her endeavor to help our small business grow and expand.

Top Line Electric LLC would like to thank you, Governor Snyder, for your initiative and service regarding workforce growth and development. We are thankful for the financial assistance received from the Michigan Works! program as we believe it has significantly helped small businesses both at a local and state level. This assistance has specifically helped Top Line Electric LLC grow an efficient and stronger workforce as the demand for our services continues to rise.

We currently employ twenty-six people along with continuously growing here in Traverse City. We look forward to expanding to support and provide service to our surrounding communities. Thank you again for the work you have done in Michigan and for offering support for programs such as Michigan Works! We appreciate what you have done and will continue to do for Michigan and its small businesses such as Top Line Electric LLC.

Sincerely,

A handwritten signature in cursive script that reads "Lyne LeJeune".

Lyne LeJeune  
Top Line Electric LLC  
231-922-8626



In partnership with  
**National Association of State Liaisons for Workforce  
Development Partnerships<sup>1</sup>**  
&  
**National Association of State Workforce  
Board Chairs**

# The Promise of the State-Federal Partnership on Workforce Development & Training

## EXECUTIVE SUMMARY

A skilled and productive workforce is critical for the economic vitality of the United States. However, our nation currently faces several key labor market challenges:

- Business leaders throughout our nation warn of a skills crisis due to the lack of qualified workers to fill the high-skilled jobs of tomorrow.
- Many Americans have been excluded from recent economic gains, with wage growth that is still slow and unevenly distributed.
- Parents, youth and families are increasingly anxious about a future where the next generation of workers may not have the same opportunities to prosper as the one before.

***A major part of the solution to these challenges lies in effective and efficient state workforce development systems*** – diverse public-private partnerships between businesses, government, and education and training providers designed to ensure that individuals have the skills needed by businesses.

- These systems are key components of high-quality education systems, provide freedom of choice for job seekers and are an integral part of economic development deals that bring millions of jobs to states each year.
- State workforce development systems are driving up the number of employed individuals nationwide and a critical contributor to the historically-low national unemployment rate.
- State systems serve over 22 million job seekers and hundreds of thousands of businesses each year through a variety of programs, including initiatives focused on dislocated workers and youth.

Federal support of these systems through the Workforce Innovation and Opportunity Act (WIOA) are the lifeblood of workforce development in communities across the country. Every dollar of federal investment through WIOA contributes to a strong economy and further federal disinvestment places job seekers and businesses in jeopardy. A strong partnership between states and the federal government is crucial in ensuring the needs of businesses and job seekers are fully met by state workforce development systems.

### **The Trump Administration can build on states' effective workforce solutions by:**

- Building on WIOA as a foundation for economic growth – ensuring flexibility for states while not changing course on a bipartisan law that is still being implemented.
- Initiating effective communication and consultation with states.
- Creating connections and alignment of funding, coordination and data between federal education and workforce programs.
- Prioritizing investments in the workforce system to enable state innovation – any decrease in federal funding disrupts economic growth and job creation in the states.
- Supporting state efforts to develop meaningful performance measures and accountability systems.
- Prioritizing innovative, evidence-based strategies – including apprenticeships, work-based learning, career and technical education, and career pathways.
- Avoiding unfunded mandates by factoring in federally-mandated requirements – which can have disproportionately negative impacts on states with smaller populations.



## INTRODUCTION

As “laboratories of innovation,” states are using the Workforce Innovation and Opportunity Act (WIOA) to build on successful elements of their current systems and designing and implementing new approaches based on **three cornerstones of successful workforce development systems**:

1. Businesses drive workforce development efforts
2. Education partnerships align education and training with skill needs
3. Career pathways lead to economic opportunity

Each state workforce development system is guided by three key entities that deliver on this vision:

- The governor who serves as the chief job creation officer in each state and leverages the workforce development system to attract new business and grow small business in every community;
- A private-sector led state workforce development board that works on behalf of the governor to set the vision and strategy needed for success in their state’s economy and to hold the system accountable for performance outcomes; and
- A state workforce agency that is charged with implementing an effective and accountable system and working together with other state agencies and federal and local government entities to ensure a comprehensive set of services is provided to businesses and job seekers.

### I. WIOA: STATE- AND BUSINESS-LED

WIOA – passed by Congress with overwhelming bipartisan support – mandates a business-led role in establishing workforce development system priorities, while enabling effective coordination between public and private sector partners. WIOA plays an essential role in addressing the economic challenges facing businesses, individuals, and communities, and in building a skilled workforce to support sustainable economic growth. The wellbeing of these stakeholders depends on continued investment in WIOA, which is the lifeblood of workforce development systems nationwide.

In recent years, state workforce development systems have demonstrated their effectiveness in finding innovative solutions to pressing workforce challenges despite significant funding constraints, and are well-positioned to build on these successes in implementing WIOA.

#### **Key State Workforce Development System Successes to Build On:**

- ***Demonstrated ROI and Results for Employers and Job Seekers:*** Rigorous evaluations of core programs administered by state workforce development systems have demonstrated significant returns on investment (ROI) and positive impacts on employment and wages for participants, as well as employer and job seeker satisfaction with services.<sup>2</sup> Last year, almost 70 percent of adults and youths served by these programs nationwide found jobs in which they earned more than before they received services.<sup>3</sup>
- ***Reemploying Dislocated Workers During the Great Recession:*** During the height of the Great Recession, when there were almost seven people looking for work for every one job available,<sup>4</sup> state workforce development systems collectively placed a majority of those who sought services into employment and have had higher placement rates in subsequent years.
- ***Supported Sector Partnerships in Key High-Demand Industries:*** Workforce systems have been key supporters and conveners of over 1,000 regional sector partnerships – business-driven initiatives that bring together stakeholders focused on the workforce needs of an industry.<sup>5</sup>
- ***Expanded Innovative Strategies and Apprenticeships:*** State workforce development systems have leveraged federal investments to expand the use of innovative strategies, such as apprenticeship, work-based learning and career and technical education (CTE). The number of registered apprentices increased by approximately 35% from 2013 - 2016, and there are now over 500,000 registered apprenticeships in a diverse range of industries and occupations with continued growth anticipated.<sup>6</sup>

While significant progress has been made, the work is far from done. States are in the early stages of implementing WIOA’s vision of an integrated workforce development system that more effectively and quickly responds to business and worker needs. States are already responding by reducing duplication, co-locating services, and leveraging funding across programs to scale effective initiatives that build on these successes.

*Continued federal support for and investment in workforce development is crucial, as is increased flexibility for states to continue designing innovative approaches that create opportunities for more workers and businesses to prosper.*

## II. THREE CORNERSTONES OF A SUCCESSFUL WORKFORCE DEVELOPMENT SYSTEM

The wellbeing of individuals, families and businesses depends on continued investment in workforce development programs. Even under significant funding constraints, states across the country have made significant progress and have demonstrated that success is built on three key cornerstones.

### **Cornerstone 1: Businesses Drive Workforce Development Efforts**

States and the federal government should support efforts that:

1. **Expand Sector Partnerships with Businesses.** For more than a decade, states have been supporting and scaling state, regional, and local level public-private partnerships. These sector strategies, focused on high-demand industries, have demonstrated effectiveness and are individualized and scalable, through assistance from federal resources.
2. **Build Talent Pipelines.** By collaborating with business, setting a clear vision for education and training, braiding state and federal resources, and using real-time data to inform policy and investment, states have signaled their commitment to utilizing a coordinated approach to developing a skilled workforce.

### **Cornerstone 2: Education Partnerships Align Education and Training with Skill Needs**

Across the country, states are leading efforts that bring businesses and education to the table to create job-driven solutions that respond to labor market needs. States and the federal government should continue to support and expand efforts that:

1. **Create Opportunities for Students to Work and Learn.** The proven value of hands-on learning, where education and skill development are combined, has led states to rethink the way adults and youth are prepared for sustainable careers. A stronger focus on work-based learning models like apprenticeship, on-the-job training, and internships leading to high-demand industry credentials will create pathways out of poverty and into the middle class.
2. **Deliver Career-focused Education.** By entering into partnerships with high schools and colleges, states are leveraging policies and programs to strengthen partnerships with businesses to bring job-related instruction and work experiences directly into education coursework. These efforts include career and technical education (CTE) that prepares students for a wide and growing range of occupations.

### **Cornerstone 3: Career Pathways Lead to Economic Opportunity**

Career pathway strategies incorporate human services, education and workforce programs to serve vulnerable populations in rural and urban America - including disconnected youth, veterans and long-term unemployed workers - to advance towards self-sufficiency. Effective strategies should be expanded to:

1. **Build More Pathways to Self-sufficiency.** States across the country have implemented programs that allow individuals to meet the work requirements of federal benefit programs while helping them move into jobs and careers that will allow them to be long-term self-sufficient. These include programs that combine basic education with occupational skill development and provide work experience for individuals that help them transition to permanent employment.
2. **Reduce Poverty by Helping Families.** Recognizing that many individuals' barriers to employment are broader than simple skill deficiencies, states are adopting multi-generational strategies to help families achieve self-sufficiency. Multi-generational strategies involve connecting human services like childcare, healthcare, and transportation, with education and career preparation programs, meeting the needs of working adults and their children.

### III. DELIVERING ON THIS VISION

States have played a crucial role in connecting businesses and educational institutions to create a skilled workforce that meets the needs of businesses and creates pathways to economic opportunity for individuals and businesses. Even when faced with budget cuts and crises, state and local leaders work to quickly, competently and judiciously act to ensure businesses have the workers they need to be competitive. With WIOA, these efforts will be sustained and enhanced through a prominent role for governors with state and local workforce boards and sustaining the partnership between states and the federal government.

#### **A Critical Role for Governors and Workforce Development Boards**

Led by private sector business executives, governor-appointed workforce development boards are designed to play a critical role at the nexus of strategic leadership and decision making for the public workforce development system. As part of their responsibilities under WIOA, boards assist governors and local elected officials in the development, oversight, and continuous improvement of their workforce development systems.

Through these activities, workforce development boards act as key conveners with significant impact on economic development and employment. At the state level, it is critical that governors maintain the authority to determine the makeup of the state board to ensure that it represents a variety of key industries across the state, key state leaders and the voice of workers.

#### **Strong Partnership between Federal Government, State Agencies and Governors**

Governors and state workforce agencies play a critical role in the successes achieved by workforce development systems. Agencies administer an array of federal programs and governors' initiatives and must coordinate these efforts with other state and local agencies administering interrelated programs. State workforce agencies have worked cooperatively with the U.S. Department of Labor and other federal agencies with oversight of the federal resources that flow to state and local agencies. With the passage of WIOA, the U.S. Department of Labor has led efforts across federal agencies to build a strong partnership with states to transform the workforce development system.

The years ahead provide a significant opportunity to scale existing successes, and promote the transformation of state workforce development systems. The bipartisan passage of the WIOA was successful in addressing many of the concerns and challenges identified by stakeholders involved in the system. States' support for this law has shown that there is broad-based consensus on common-sense, state-led innovations.

***Governors and their state workforce development boards and workforce agencies will continue to work in partnership with federal agencies to ensure the needs of businesses, workers and families are effectively and efficiently met and gains continue in workforce development system outcomes.***

### IV. RECOMMENDATIONS FOR THE TRUMP ADMINISTRATION

The foundation of WIOA is strong. However, as WIOA moves into full implementation, states need support from the federal government to design and implement a system that meets their unique needs, while upholding accountability that balances quality and flexibility.

- 1. Build on WIOA as a Foundation for Economic Growth.** Federal and state workforce programs are not only tools to help communities recover from periods of economic distress, but also a tool to sustain economic growth by ensuring a steady flow of skilled talent for must-fill jobs. The public workforce system is a preventive measure against economic deterioration and WIOA allows it to be nimble, quickly adjusting to the free market. The Trump Administration should build on WIOA and ensure a flexible regulatory and enforcement environment, but should not change course on a federal law that states are now implementing with certainty.
- 2. Initiate Effective Communication and Consultation with Governors, State Workforce Boards, and State Agencies.** The federal government and states must work together to develop policies that facilitate business engagement and job seeker readiness in place of policies characterized by audits and reporting. State innovation can be a key asset to the Trump Administration in ensuring that federal investments best meet the needs of the diverse economies and systems across the states. States appreciate the opportunity to continue to collaborate with federal officials in piloting new initiatives in ways that complement ongoing state workforce development system efforts.

- 3. Prioritize Investments in the Workforce System.** WIOA and other federal workforce investments have received broad bipartisan support in Congress. States' ability to effectively implement the bipartisan vision of WIOA and provide innovative, business-driven solutions is strongly linked to sustainable federal funding levels. The demonstrated effectiveness of workforce programs highlighted in this briefing paper and momentum continuing through WIOA implementation make a strong case for prioritizing federal workforce investments.

The state message to the Trump Administration is clear: any decrease in federal funding to workforce programs, even with additional flexibility, will disrupt economic growth and job creation in the states. To ensure that the workforce investments are as effective and efficient as possible, we recommend:

- **Preserving and expanding the governors' federal workforce reserve.** WIOA reserves 15 percent of Title I funds for statewide use, allowing governors to support a variety of innovative initiatives that benefit businesses and workers. If the Trump Administration is considering additional flexibilities for state workforce development efforts, consider applying the flexibility provided to governors under the workforce reserve to a greater percentage of Title I dollars.
- 4. Create Alignment of Funding, Coordination, and Data between Federal Education and Workforce Programs.** WIOA sets high expectations for state alignment of the workforce system with the welfare system, career and technical education and postsecondary education. Yet, the federal government does not hold themselves to those same expectations. Despite herculean efforts by states to align programmatic efforts and data collections, federal agencies remain significantly siloed. The Trump Administration should require the same collaborative efforts between the Departments of Education, Health and Human Services, and Labor that states are now undertaking to reduce the duplicative reporting, data, and regulatory requirements currently in place.
- 5. Support State Efforts to Develop Meaningful Performance Measures and Accountability Systems.** Governors, state workforce development boards, and state agencies aim to assure the public that state spending of federal investments are producing positive outcomes for workers and employers. It is important that governors are at the center of performance accountability so they can drive towards achieving state economic goals; and that federal agencies maintain a simple set of regulations and performance measures that are supportive of state efforts, and allow for meaningful comparisons across state borders. Federal technical assistance is also important as states continue to update their performance accountability systems to reflect WIOA requirements.
- 6. Prioritize Innovative, Evidence-Based Strategies.** States have led the way in implementing apprenticeships and other forms of work-based learning, career and technical education, and career pathways with the access to innovation that WIOA provides. The Trump Administration can drive further progress by continuing to prioritize these evidence-based strategies in their investments and creating an oversight environment that allows states to experiment with cutting-edge strategies that keep pace with the changing-pace of business.
- 7. Avoid Unfunded Mandates by Factoring in Federally Mandated Requirements.** WIOA mandates significant state and local investments in the workforce development system, including the use of physical one-stop service delivery centers, state oversight and technological infrastructure. The Trump Administration should factor these fixed cost obligations into workforce funding considerations to avoid unfunded mandates that can deplete state resources, especially in states with smaller populations.

States have taken advantage of the opportunities under WIOA to make significant progress on business-driven efforts to build a skilled workforce and increase economic opportunities. State-directed federal investments can move the workforce development system to be even more relevant to current and future economic growth and job creation.

**NGA Contact:**

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National Governors Association  
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**NGA Center for Best Practices:**

Martin Simon  
Associate Director  
Economic Opportunity Division  
NGA Center for Best Practices

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<sup>1</sup> The National Association of State Liaisons for Workforce Development Partnerships and the National Association of State Workforce Board Chairs are affiliated with the National Governors Association, Center for Best Practices. The members of the State Liaisons Association are state officials responsible for administering state and federal workforce programs and advising their respective governors on workforce policy. The members of the State Board Chairs Association are private sector executives appointed by their governors to chair the state workforce development board authorized under WIOA, to oversee the public workforce development system and advise the governor on workforce policy.

<sup>2</sup> Hollenbeck, Kevin, and Wei-Jang Huang. 2006. "Net Impact and Benefit-Cost Estimates of the Workforce Development System in Washington State." Upjohn Institute Technical Report No. 06-020. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. Available at <http://dx.doi.org/10.17848/tr06-020>.

<sup>3</sup> U.S. Department of Labor - Employment and Training Administration: Quarterly Workforce System Results, available at <https://www.doleta.gov/performance/results/>.

<sup>4</sup> U.S. Bureau of Labor Statistics: Number of unemployed persons per job opening, seasonally adjusted, available at <https://www.bls.gov/charts/job-openings-and-labor-turnover/unemp-per-job-opening.htm#>.

<sup>5</sup> State Sector Strategies Coming of Age: Implications for State Workforce Policymakers. Corporation for a Skilled Workforce, National Governors Association, National Skills Coalition. January 2013. Available at <https://www.nga.org/files/live/sites/NGA/files/pdf/2013/1301NGASSSReport.pdf>.

<sup>6</sup> U.S. Department of Labor - Employment and Training Administration: Apprenticeship USA Data and Statistics, available at [https://doleta.gov/oa/data\\_statistics.cfm](https://doleta.gov/oa/data_statistics.cfm).



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August 16, 2017

The Honorable Rick Snyder  
Governor  
P.O. Box 30013  
Lansing, MI 48909

Dear Governor:

I am writing you today in support of the great work that Northwest MI Works! does for our community. I am co-owner of the Urban Oasis Salt Spa in Traverse City with my partner and husband, Dave. We asked Northwest MI Works! for their assistance in helping to find employees for us when we opened three months ago. They were a tremendous help to us with recruitment and very supportive of our business. They offered to help us in any way that they could by posting resumes for us, and getting the word out in the community about our business and the services we offer. Sharon Gordon, the Business Services Specialist, deserves special recognition as she has gone above and beyond to promote our business.

The services they provide is invaluable to our community – including both employers and those who are seeking employment. They offer free workshops, learning labs, job bank postings, and veterans' job fairs. Our community is very lucky to have this resource available. The Small Business Development Center is also very helpful for new business, such as ours, that need guidance to help grow their business.

There are unique challenges for employers in Traverse City, as I am sure there are in other Michigan cities. Traverse City's unemployment rate currently stands at 3.4%, which is lower than the national average. This makes it challenging for area employers to find talented, available workers. Having an organization like Northwest MI Works! and their committed staff helps to alleviate some of this stress as they have very effective methods for helping employers achieve their hiring goals.

We are so appreciative of the work that Northwest MI Works! does to serve our community!

Sincerely,

Carol Saxton, Owner  
Urban Oasis Salt Spa, LLC