



# SIWIB NEWS

NEWSLETTER FOR BOARD MEMBERS ■ VOL. 6: ISSUE 3: SEPTEMBER 2010

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## Youth Mania!

BY KATHY LIVELY, CEO, MAN-TRA-CON CORPORATION

It's been quite a busy summer at Man-Tra-Con with *Summer Works*, *Summer Works DNR*, *Youth Employment for the Summer (YES)* and *Put Illinois to Work (PITW)* programs — in addition to record-breaking heat! Programs will be ending by September 30th and the nights are already getting cooler — so relief is on the way! The following program summary is the result of everyone's commitment and hard work to date:

### Summer Works Experience

The 2010 Summer Works Experience administered by Man-Tra-Con in Local Workforce Investment Area (LWIA) 25 provided young adults, 16 to 17 years of age, with an opportunity to work part-time within government offices, non-profit organizations and area businesses through funding from the Department of Commerce and Economic Opportunity

(DCEO) and the American Recovery and Reinvestment Act (ARRA) of 2009. Participants earned \$8.25 per hour during the program period beginning May 1, 2010, and ending September 30, 2010.

Summer Works Youth Coordinator Dorothy Porter worked with clients from Jackson, Perry and Williamson counties, with assistance from Youth Services Specialist JoDene Kern

(Continued on page 4)

DCEO Director Warren Ribley visits with Summer Works youth at the Attucks Community Center worksite in Carbondale.

LEFT TO RIGHT: James Scales, Warren Ribley, Chuck Paprocki, Misha Davis (DNR worker), Krari Humphrey (volunteer), Abdul Haqq (Attucks Community Center Director), Shirley Wright (DNR worker behind Abdul), Mr. Sims (project advisor), Sedrikka Hudson, (DNR worker) Tony Perry (PITW worker).



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## Message from Our Chairperson...



MARY M. ROE

In this issue of the SIWIB News, you will find workforce development issues at the local, state, and national level. Developing the workforce of southern Illinois is an important effort and we appreciate your willingness to serve. Setting new policies for the support services we offer in light of \$870,000 funding cut was not an easy task. I appreciate the work of the WIA Policy and Planning Committee in making these important decisions.

It has been an exceptionally busy summer for our WIA efforts with Summer Works, YES, Department of Natural Resources (DNR), and DuQuoin State Fair. In addition, Put Illinois to Work, a Department of Human Services grant to place TANF eligible participants to work throughout a 30 county area has shown excellent results with placement numbers much larger than anticipated.

Thanks to all of our committees which have met several times since our last meeting to further our work. Thank you also to our Nomination Committee for presenting us with an excellent slate of officers for your approval at our next meeting. Visits from

*(Continued on page 3)*

## SIWIB COMMITTEE MEETING REPORTS

### Business & Economic Development Committee

This is a summary of the May 20, 2010, meeting. The committee awarded an Incumbent Worker Training contract to Magnum Steel in the amount of \$869.00. Training for four employees began on June 4, 2010, at Rend Lake College for Welding Blueprint Reading.

The 8-hour course objectives included: basic lines and views, notes and specifications, dimensions and tolerances, structural shapes, sections, detail and assembly prints, general abbreviations and symbols, welding symbols and abbreviations, basic joints and welding fabrications, inspection and testing. According to Magnum Steel, this training was needed to advance existing employees' knowledge base and skill sets, resulting in additional marketable skills, as well as increased job opportunities for the business.

### Executive Committee

The committee met on May 27, 2010 to discuss/approve plan modifications and policy changes for PY2010, taking into consideration the \$870,000 funding cut for Local Workforce Area 25. The following is a summary of what was decided:

#### Plan Modifications for PY 2010

The plan is being modified to incorporate the PY2010 allotment of the WIA formula funds for:

- **Adult:** \$786,453, with 250 total adults being served during of which 100 are currently in training and are being carried over to PY 2010;
- **Dislocated Worker:** \$632,246, with 370 total dislocated workers being served of which 90 are currently in training and being carried over to PY 2010; and,
- **Youth:** \$918,489, with 300 total youth being served during PY 2010.

### New Pell Grant Policy

Effective this fall 2010 semester, Pell Grant recipients must use their Pell grant for tuition and fees as the first source of payment, and Man-Tra-Con Corporation will then pay the balance. Man-Tra-Con will continue to pay for books and required supplies, plus help customers find scholarship opportunities.

### New Mileage Policy

Effective 06/01/2010, mileage rates will change to the following:

- **0 – 10 round trip miles:** not eligible for reimbursement
- **11 – 35 round trip miles:** will be reimbursed at a rate of \$10.00 per day
- **36 and up round trip miles:** will be reimbursed at a rate of \$15.00 per day

Michelle Cerutti reported the new PELL grant policy change will result in an estimated \$170,000 in savings; the new mileage policy change will result in an approximate \$50,000 in savings, with a total estimated savings of \$220,000. A portion of the funds saved will be used to assist nursing students who are currently enrolled and have been accepted to continue with their Associate Degree.

### 500(c) 5 Approved Training List

The committee voted to approve the 500(c) 5 Approved Training List. The list includes programs at Rend Lake College, John A. Logan College and Southern Illinois University. Programs listed as approved will provide U.I. benefits to eligible individuals who are enrolled in those training programs.

### SIWIB Meeting Schedule

Kathy Lively discussed the Draft PY 2010 SIWIB Meeting Schedule. The committee also discussed the elimination of conference trips and a cut in meeting costs. Ms. Lively will take committee suggestions to the Board Development Committee.

*(Continued on page 7)*

## Message from Our Chairperson...

(Continued from page 2)

DCEO monitors, USA Today, and the Director of DCEO have also produced excellent results for our workforce area and efforts this summer.

At the state level, a presentation by DCEO to our Business and Industry Committee shared important information about the new Small Business Tax Credit. In addition, DCEO offered the grant opportunity of additional On the Job Training dollars to support our local businesses who hire our customers. The new Training Provider Policy caused much concern as it reduced by over 50% the training programs we could fund with our WIA funding. As a result of the Illinois Workforce Partnerships and the Illinois Community College Board, the policy is being re-written and will allow for all occupations in the demand sectors of Healthcare, Transportation, Distribution, and Logistics, Information Technology, Manufacturing, and Agriculture. Thanks to Kathy for serving on the work group of IWP and to Bob Mees and the other community college presidents who wrote letters of concern to DCEO about the unintended consequences of the Training Provider Policy.

At the National level, we continue to watch the federal workforce budgets presented. You can read more about possible budget levels in the article from Bridget Brown with the National Association of Workforce Professionals. We have also included an article from the White House on Health Reform and how it will help small businesses. In addition, other sources are referenced which might have a different slant on health reform. As you can see, there are elements outside our control which affect our workforce. With your help and willingness to bring your expertise to our various committees, we will continue to make a difference. The Southern Illinois Workforce Investment Board is dedicated through strong collaborative efforts to develop the workforce of southern Illinois, the home that we love. ♦

## Legislative Update...

### FROM THE NATIONAL ASSOCIATION OF WORKFORCE PROFESSIONALS (NAWP)

BY BRIDGET BROWN, EXECUTIVE DIRECTOR, NAWP

(AUGUST 3, 2010) — Last Thursday, the Senate Appropriations Committee approved Fiscal Year (FY) 2011 funding levels for most workforce development and education programs. While battling funding constraints, the committee recommended providing an increase of about \$163.6 million over last year levels for workforce development programs.

#### Highlights of Senate Appropriations Committee bill:

- **Adult Employment and Training:** \$896,884,000
- **Youth Training:** \$995,000,000 — \$71 million more than fiscal year 2010 and the bill recommends reducing the state youth set aside from 15 to 10 percent to drive more funding to the local level
- **Dislocated Worker Assistance:** \$1,241,147,000 — \$58 million more than fiscal year 2010
- **YouthBuild:** \$110,000,000 — a \$7.5 million increase over FY10
- **Native American Programs:** \$55,000,000
- **Migrant/Farmworkers Program:** \$87,378,000
- **Community Service Employment for Older Americans (SCSEP):** \$600,425,000 — a cut of \$225 million
- **Job Corps:** \$1,712,205,000
- **Veterans Employment & Training:** \$262,494,000 — representing a slight increase over FY10 levels

The bill also provides \$242 million for Workforce Innovation Fund Grants: \$55 million for dislocated workers, \$35 million for adult job training, \$95 million for youth, \$27 million for disabled individuals, and \$30 million for adult education programs.

#### Next Steps:

While the new fiscal year starts on October 1st, it is extremely likely that decisions will not be made by then. According to Senate Appropriations Chairman Tom Harkin (D-IA), the Senate bill probably will “not see the light of day until December, maybe January.”

NAWDP is making headway in our efforts to secure additional funding, but the proposed increased by the House and Senate Appropriations Committees are still tenuous. Final decisions will not be made until after the November election, which means that there may be a new cast of legislators and priorities of remaining legislators may change.

Yesterday, Senate Majority Leader Harry Reid indicated that he believes that the Senate will have to cap all spending bills at about \$20 billion below

(Continued on page 8)

## Youth Mania!

(Continued from page 1)

who managed clients from Jefferson and Franklin Counties.

According to Dorothy Porter, a total of 79 youth were placed among approximately 30 worksites, including 14 youth at the Attucks Community Center, which was recently added as a worksite. Many placements were in Jackson County and Dorothy would like to give special thanks to Career Specialists Christina Abbott and Stephanie Robinson for helping with intake and helping to distribute information to her clients.

## Summer Works DNR Experience

The Summer Works DNR Experience provided young adults 18 to 24 years of age an opportunity to work at five Department of Natural Resources (DNR) worksites in Illinois beginning June 1, 2010. Participants earned \$8.25 per hour during their assigned work period. In addition, the youth received a minimum of \$5 per day for transportation costs, including and up to \$300 worth of personal equipment needed or required for the job (ex. steel-toed boots, gloves, light summer jacket, hard hats, etc.) which they will keep after the program ends on September 30, 2010.

A total of 40 youth were placed among the following five sites.

- **Giant City State Park in Makanda, (15)**
- **Mt. Vernon Game Farm, (7)**
- **Wayne Fitzgerald State Park in Whittington, (10)**
- **Trail of Tears, (5)**
- **Pyramid Park in Pinckneyville, (3)**

(Continued on page 5)

During a visit to southern Illinois on September 1, 2010, DCEO Director Warren Ribley, (right) speaks to Summer Works DNR youth at the Giant City State Park Visitor's Center in Makanda.



RIGHT: Michele Cralley, office coordinator, Giant City State Park Visitor Center, explains work completed by the Summer Works DNR crew to DCEO Director Warren Ribley (right).



ABOVE: The DNR team pauses for a group photo with DCEO and Man-Tra-Con staff. Left to right: Nate Atkins; Kathy Lively, CEO, Man-Tra-Con; David Vogel; Reba Utley, career specialist, Man-Tra-Con; Emanuel Braggs; Therese McMahon, deputy director, DCEO; Maranda Milowski; Cameron Thompson; Warren Ribley, director, DCEO; Michelle Cerutti, program director, Man-Tra-Con; Preston Sims; Lovell Gray; and Adam Mays.

## Youth Mania!

(Continued from page 4)

Summer Works DNR Coordinator Reba Utley was very thankful for the assistance of Career Specialist Brian Stoner who helped with intake and the purchase of personal equipment for the youth.

## Y.E.S. Program

Man-Tra-Con helped administer the Illinois Youth Employment for the Summer (Y.E.S.) program for Local Workforce Investment Area (LWIA) 25, in partnership with the Illinois Department of Human Services and the Illinois Department of Commerce and Economic Opportunity. The Y.E.S. program provided temporary full-time work for eligible young adults (aged 16-24) through state funds and federal stimulus dollars. Participants worked up to 40 hours per week. The program began in LWIA 25 on July 6, 2010, and will end on September 30, 2010.

Stephanie Castellano coordinated the program with assistance from Youth Services Specialist Melissa Cauthen and Resource Room Assistant Alice Wyskiel. To date, 100 young adults have been placed throughout approximately 37 work sites including 22 YES participants, plus 14 Summer Works DNR participants, who were placed in positions at the DuQuoin State Fairgrounds.

## Put Illinois to Work

Man-Tra-Con helped administer the Put Illinois to Work (PITW) program in partnership with the Department of Human Services throughout 28 counties in southern Illinois. Adults aged 18 and older were placed into employment positions for the summer with wages

paid through state and federal funding. Participating employers provided each participant with supervision and training during the placement period. Wages were paid at a rate of \$10.00 per hour.

### Putting Illinois to Work at Man-Tra-Con!

A total of eight Put Illinois to Work employees were placed at Man-Tra-Con offices since the program began May 1, 2010. PITW participants Janice Clayton, Lynsey Cross, and Belva Mohr, began work on May 24th in Marion, with Candra Yarbrough joining the team on June 28th. Most of their responsibilities have involved helping out in the resource room. In addition, the Marion PITW team has been assisting PITW Coordinator Chris Pell with filing and other administrative tasks as needed.

### PITW at Man-Tra-Con Auxiliary Offices

Syhemia Gray worked at the Carbondale office from May 24th until August 19th, when she returned to school. Lacy Russell began on June 1st and is currently working in the DuQuoin office, Heather Clark in West Frankfort, and

(Continued on page 6)

## PITW participants in Marion comment on the program

When asked about their experiences in the PITW program, here's what participants working at the Marion office had to say:

*"I've been able to keep up my administrative skills... I wouldn't have been able to do that without the [PITW] program."*

— Janice Clayton

*"I am real appreciative for the program... It is much needed in southern Illinois, because otherwise I would probably be jobless too!"*

— Candra Yarbrough

*"It's been fun! I've really enjoyed getting back into the work environment after 2 years of being off."*

— Belva Mohr

.....  
**Marion PITW employees with Career Specialist/PITW Coordinator Chris Pell.**

**LEFT TO RIGHT: Candra Yarbrough, Chris Pell, Belva Mohr, and Janice Clayton**



## Youth Mania!

(Continued from page 5)

Daniele “Melisa” Mick in Mt. Vernon both began work on May 24th. All PITW participants provided much appreciated resource room assistance.

PITW Coordinator Chris Pell reports that 344 participants have been placed to date in 28 counties throughout southern Illinois. The program ends on September 30, 2010.

## Special Thanks to All!

I would like to thank the coordinators for all our summer programs including those who assisted with the following contributions:

- **Program Director Michelle Cerutti**, who was available to answer program questions and give advice as needed.
- **Program Manager Kathy Dollins** and **Career Specialist Coordinator Jean Ondo** for checking all documents, and making sure they were in order before certifying participant applications.
- **Business Administrator Rosie Robinson** and **Business Liaison Roxanne Brewer-Coffey** for recruiting worksites, processing timesheets, working with trainee support staff, **Chris Pell & Belva Mohr**, to ensure successful work placements.
- **Worksite Liaisons Ashley Green** and **Andrea Helleny** who have since returned to college, and **Kyle Derry** who is now working part-time.
- **Rapid Response/TAA Manager Jamie Galli** for covering the northern counties in Region V as a worksite liaison for PITW.

(Continued on page 7)

## CONNECT SI UPDATE: Community Colleges Receive Assistance to Upgrade Nursing Labs

BY CARY MINNIS, SPECIAL PROJECTS COORDINATOR, MAN-TRA-CON CORPORATION

Connect SI recently received a \$386,906 grant from the Illinois Department of Commerce and Economic Opportunity. This Workforce Investment Act Healthcare Training Grant was funded through the American Recovery and Reinvestment Act. Announced in January, the recently awarded funds will provide ongoing support to the region's community college nursing programs including the Southern Illinois Online Nursing Initiative (SIONI).

As a result of this award, \$250,000 will be allocated to purchase equipment for college simulation labs. The much needed equipment — such as mannequins, beds, computers, scenarios, etc. — will be added to ensure students at each participating college have access to an up-to-date simulation training lab.

With this equipment, additional time may be spent on simulations — where students learn and practice advanced techniques for critical interventions on simulation mannequins/patients with no danger to human life. Simulation labs allow more time for “hands-on” training without increasing the clinical time in overburdened hospital and clinic-based sites.

Shelly Kuhns, Allied Health Division chair for Rend Lake College states, *“The simulated experience allows us to revisit and polish any assessments or skills requiring more time to become proficient than could be obtained in a clinical setting. A traditional clinical often provides a low volume of opportunities for students to practice high-risk skills. Simulation provides an opportunity to revisit these skills as needed in order to increase patient safety. Thanks to Connect SI and DCEO, students at Rend Lake College will have access to four new simulation mannequins.”*

Additional funds from this award will support the SIONI program through the end of the pilot in December. Funds will also be used to host a clinical faculty academy, and provide scholarships for preparing Masters level nursing faculty.

The SIONI pilot is going well. Twenty-eight students are currently benefiting from this innovative program through six community colleges. SIONI



**SIONI student works with a simulation mannequin at an SIC training lab.**

(Continued on page 9)

## One-Stop Committee

(Continued from page 2)

### One-Stop Committee

The committee met on June 8, 2010. The following is a summary of that meeting:

#### Closures and Layoffs

Jamie Galli reported she met with the Human Resources representative from Mt. Vernon Neon yesterday. Nineteen employees were laid off, and the company may lay off an additional 20 workers in the next few weeks. If the additional lay-offs occur, only ten workers would remain employed at the company. The laid off workers are trade eligible.

#### Program Updates

Michelle Cerutti updated the committee on "Put Illinois to Work" and the "Summer Works" programs:

##### a. Put Illinois to Work

Man-Tra-Con is partnering with the Department of Human Services (DHS) to serve thirty-three counties through this program. Due to an overwhelming response, job seeker applications are no longer being accepted as of June 13, 2010. Employer worksites are still being recruited. Michelle expects 316 participants to be served by the program's end date of September 30, 2010.

##### b. SummerWorks

The program is on track to meet its goal of 70 youth, ages 16 and 17, to be served. A summer program, in partnership with the Department of Natural Resources (DNR), serving 18-24 year-old youth has also begun. To date, eleven workers have been placed at Giant City State Park, and three workers have been placed at Wayne Fitzgerald State Park. Participants began working at the Mt. Vernon Game Farm in July.

(Continued on page 8)

## Outreach Update

### Illinois workNet Workshops

Outreach Liaison Cindy Webb presented the following Illinois workNet and other workshops in August and September:

#### Tuesday, August 10, 10:00 a.m.

Community Support Advisory Council (CSAC) meeting

#### Tuesday, August 10, 4:00 p.m.

Southern Illinois Reentry Group (SIRG) Mt. Vernon Group meeting

#### Monday, August 16, 2:00 p.m.

Presentation on services for SIUC Head Start, Carbondale location

#### Thursday, August 19, 9:00 a.m.

Southern Illinois Reentry Group (SIRG) Marion Group meeting

#### Sunday, August 29,

11:00 a.m. to 4:00 p.m.

Veteran's Day at the DuQuoin State Fair, "Helping Hometown Heroes" event

#### Wednesday, September 8,

9:00 a.m. - 11:00 a.m.

Franklin County Juvenile Justice Council Meeting, Benton

#### Thursday, September 9,

9:00 a.m. - 3:00 p.m.

Stand Down Event at Marion VA

#### Monday, September 13

9:00 a.m. - 11:00 a.m.

LAN #3 Meeting at H-Group in West Frankfort

### Job Seeker Survival Guide Workshops

Cindy Webb presented "Job Seeker Survival Guide Workshops" on August 11th at Rend Lake College, and August 25th at Shawnee College Extension in Anna. Workshops were held from 4 p.m. to 8 p.m. Topics included informative advice on resume and interview preparation, what employers want in an employee, work ethic, proper attire, and job search resources.

### Rend Lake College Murphy-Wall Pinckneyville Campus

Since June 21, 2010, Man-Tra-Con Career Specialist Charlene Butcher has been providing job search assistance to students at the RLC Murphy-Wall campus every Monday, from 8:30 a.m. to 4:30 p.m. ♦

## Youth Mania!

(Continued from page 6)

■ **HR Manager Becky Rosenbeck** and **Administrative Assistant Paige Lappe** for quickly processing HR employment forms.

■ **Fiscal Manager Debbie Kee, Fiscal Coordinator Gretchen James, Fiscal/SSI Specialist Susan Taylor** and **Fiscal Specialist Charlene Butcher** for processing timesheets and getting checks out on time.

■ **Outreach Liaison Cindy Webb** and **Career Specialist Brian Stoner** who taught work readiness skills to participants in all programs.

■ **Career specialists and resource room assistants** at all locations for helping with mass and daily intakes, fielding phone calls, and providing additional support as needed.

Without everyone's contribution, our placement successes would not have been possible! ♦

## One-Stop Committee

### MOU Approval

(Continued from page 7)

#### MOU Approval

Michelle Cerutti reported all partner agreements have been received to date, except from Rend Lake College. The committee voted to accept the MOU as presented, pending receipt of the partner agreement from Rend Lake College. Michelle will follow up with Rend Lake College. The MOU is due on June 30, 2010.

#### Other

To accommodate a substantial cut in funding, Man-Tra-Con will go to a reduced customer mileage schedule and require customers to utilize Pell grants prior to Man-Tra-Con paying for tuition and fees. Man-Tra-Con has also applied for a National Emergency Grant (NEG) for On-The-Job Training (OJT). If awarded the grant, Man-Tra-Con plans to serve approximately 200 individuals over a period of two years. Crosswalk's summer cooling program began in July. Debra Jackanicz stated that the dollar amount Crosswalk received was significantly less than it had been in prior years. Debra also informed the committee the LIHEAP program has been extended to December 31, 2010.

## Youth Council

The Youth Council met on May 12, 2010. The following is a summary of those meetings:

#### PY2010 Contract Update

Ms. Dollins reported all the contract modifications were mailed on Monday, May 10, 2010 and are due by Wednesday, May 26, 2010. All contracts are being rolled over.

#### Summer Works Update

Ms. Porter updated the group about the Summer Works program. The program will

(Continued on page 9)

## Six Ways Health Reform Will Help Small Businesses

**S**mall businesses want to provide health coverage for their workers, but they face extraordinary challenges in doing so, including premiums that are 18 percent higher on average than large businesses pay for the same coverage. Health reform legislation signed by the President includes a number of important benefits to help make coverage more affordable:

### 1. Establishes a Small Business Health Care Tax Credit to Help Small Businesses Afford the Cost of Covering Their Workers.

**Status Quo: Small Businesses Face High Costs in Providing Health Insurance to Their Employees.** Small businesses face higher costs and few incentives to offer health insurance coverage to employees.

**Solution: A New Tax Credit Takes Effect Immediately to Help Cover Premiums Small Businesses Pay.** The Small Business Health Care Tax Credit can cover up to 35 percent

of the premiums a small business pays to cover its workers. In 2014, the rate will increase to 50 percent. Learn more from the White House fact sheet. (See page 10)

### 2. Creates Health Insurance Exchanges to Increase Bargaining Power and Reduce Administrative Costs

**Status Quo: Small Businesses Have Little Bargaining Power, Face High Administrative Costs.** Currently, small businesses face not only premiums that are 18 percent higher than large businesses pay, but also face higher administrative costs to set up and maintain a health plan. The premiums they pay have 3 to 4 times as much administrative cost built into them as plans in the large group market. They are also at a disadvantage in negotiating with insurance companies because they lack bargaining power.

**Solution: Health Insurance Exchanges will**  
(Continued on page 6)

## Legislative Update... from NAWP

(Continued from page 3)

the president's request. That means that pressure to constrain funding will grow as appropriations move further along in the legislative process.

That being said, NAWDP members are doing an outstanding job of educating federal policy-makers about how the funds are being used to strengthen communities and put job seekers back to work.

Moving forward, these efforts and hometown stories are going to be even more important. The work that you do matters to our economic recovery, so keep up the good work!

Thank you for all of your efforts on this. If you have any questions or concerns, please do not hesitate to let me know. ■

Bridget Brown  
Executive Director  
(202) 589-1790

## Youth Council

(Continued from page 8)

last six weeks and will target youth between the ages of 16 – 17 years old. The program will serve a total of 70 youth. Twenty-seven youth who are already enrolled in the year round program have express interest in participating in this year's Summer Works program. Ms. Porter anticipates job placements to begin by the second week of June. The application for worksites will be available on-line in the next few days. A work readiness component will apply to the program again this year.

### Year Round Contractors Reports

The April Year Round Contractors' Reports was approved. ♦

## Community Colleges Receive Assistance to Upgrade Nursng Labs

(Continued from page 6)

students attending an all-day clinical commented on the program:

*"SIONI gave me the opportunity to continue my education while working full time, being a mother and wife. I will now be able to become the RN that I have always wanted to be."*

*"This program was a godsend for me. I could not afford to quit my job to go back to school full time, and with this program I didn't have to."*

*"SIONI allows a working LPN to continue with their education with minimal loss of family time. Fears and anxieties are lessened due to smaller groups. Support of instructors has been great!"* ♦

## Six Ways Health Reform Will Help Small Businesses

(Continued from page 5)

**Provide More Choice, Lower Prices, and Greater Bargaining Power for Firms with up to 100 Employees.** Health reform will change this dynamic. Starting by 2014, firms with 100 or fewer workers will be able pool their buying power and reduce administrative costs by purchasing insurance through an exchange. According to CBO, coverage that small businesses purchased through an exchange "would have lower administrative costs, on average, than the policies those firms would buy under current law, particularly for very small firms."

### 3. Ends Price Discrimination against Small Businesses with Sick Workers.

**Status Quo: Small Businesses with Sick Worker Face Higher Prices, Sudden Price Increases.** Currently, small businesses with just one sick worker can face significantly higher premiums, and having a worker fall ill can lead to a precipitous price increase — raising premiums just when insurance is needed most.

**Solution: Ending Price Discrimination Based on Illness.** Health reform will end this price discrimination. Starting in 2014, "community rating" rules will prohibit insurers from charging more to cover small businesses with sicker workers or raising rates when someone gets sick.

### 4. Increases Health Care Security to Unlock Entrepreneurship

**Status Quo: Health Insurance Insecurity Creates "Job Lock," which Inhibits Entrepreneurship.** Our current health care system inhibits entrepreneurship and small business formation by locking workers — especially those with families or with any sort of health problem — into jobs at large firms

that offer family coverage and have a big enough risk pool to absorb the cost of covering pre-existing conditions. This "job lock" causes many workers to stay at large firms even if they would be more productive working at a small business or becoming an entrepreneur.

**Solution: Health Security Empowers Entrepreneurship.** By providing health security for every American and eliminating exclusions for pre-existing conditions and price discrimination against those who are sick, health reform will make it easier for small businesses to attract the best workers and easier for entrepreneurs to strike out on their own.

### 5. Reduces the Hidden Tax on Small Business Employees with Health Insurance

**Status Quo: Hidden Tax Adds \$1,000 to Every Premium.** Currently, the cost of treating the uninsured adds a "hidden tax" of over \$1,000 to every health care premium.

**Solution: Reduce Hidden Tax by Dramatically Expanding Coverage.** Health reform will significantly reduce this tax by covering an additional 32 million additional Americans by 2019.

### 6. Reduces Premiums in the Small Group Market.

**Status Quo: Higher Premiums Mean Coverage Is Unaffordable for Small Businesses.** In a recent national survey, nearly three-quarters of small businesses that did not offer benefits cited high premiums as the reason.

**Solution: Health Reform Will Lower Costs, Making Coverage More Affordable.** Taken together, the measures described above will significantly reduce premiums for small businesses. According to CBO, health reform will reduce the cost of a given plan in the small group market by 1-4 percent by 2016.

**Source:** [www.whitehouse.gov](http://www.whitehouse.gov).

## WHITE HOUSE FACT SHEET

# Small Business Health Care Tax Credit

Health reform legislation signed by President Obama includes a Small Business Health Care Tax Credit to help small businesses afford the cost of covering their workers.

### Key Facts about the Small Business Health Care Tax Credit

- The tax credit, which is effective immediately, can cover up to 35 percent of the premiums a small business pays to cover its workers. In 2014, the rate will increase to 50 percent.
- The Congressional Budget Office estimates that the tax credit will save small businesses \$40 billion by 2019.
- Both small for-profit businesses and small not-for-profit organizations are eligible.

### Key Elements

■ **Available Immediately.** The credit is effective January 1, 2010. As a result, small businesses that provide health care for their workers will receive immediate help with their premium costs, and additional firms that initiate coverage this year will get a tax cut as well.

■ **Broad Eligibility.** The Council of Economic Advisors estimates that 4 million small businesses are eligible for the credit if they provide health care to their workers. Qualifying firms must have less than the equivalent of 25 full-time workers (e.g., a firm with fewer than 50 half-time workers would be eligible), pay average annual wages below \$50,000, and cover at least 50 percent of the cost of health care coverage for their workers.

■ **Substantial Benefit.** The credit is worth up to 35 percent of a small business's premium costs in 2010. On January 1, 2014, this rate increases to 50 percent.

■ **Non-Profits Eligible.** Tax-exempt organizations are eligible for a 25 percent tax credit in 2010. In 2014, this rate increases to 35 percent. (The credit rates are lower for non-profits to ensure that the value of the credit is approximately equal to that provided to for-profit firms that cannot claim a tax deduction for the amount of the credit claimed.)

■ **Gradual Phase-Outs.** The credit phases out gradually for firms with average wages between \$25,000 and \$50,000 and for firms with the equivalent of between 10 and 25 full-time workers.

■ **Premium Cost Eligibility.** To avoid an incentive to choose a high-cost plan, an employer's eligible contribution is limited to the average cost of health insurance. ♦

**Source:** [www.whitehouse.gov](http://www.whitehouse.gov).

### Other Articles of Interest on Health Care Reform

#### FROM THE WHITE HOUSE:

#### The Economic Effects of Health Care Reform on Small Businesses and their Employees

<http://www.whitehouse.gov/administration/eop/cea/Health-Care-Reform-and-Small-Businesses>

#### FROM BLOOMBERG BUSINESS WEEK:

#### Sorting Fact from Fiction on Health Care Reform

[http://www.businessweek.com/smallbiz/content/jul2010/sb20100711\\_127679.htm?campaign\\_id=smallbiz\\_related](http://www.businessweek.com/smallbiz/content/jul2010/sb20100711_127679.htm?campaign_id=smallbiz_related)

## CALENDAR OF EVENTS

### SEPTEMBER 16, 2010

#### Chief Local Elected Officials

11:00 a.m. at the  
Man-Tra-Con Office  
1000 Factory Outlet Drive,  
Suite 111  
West Frankfort, Illinois

### SEPTEMBER 16, 2010

#### Southern Illinois Workforce Investment Board

5:30 p.m. at the  
One-Stop Business  
& Employment Center  
3000 West deYoung Street,  
Suite 800-B  
Marion, Illinois

For more information about  
upcoming SIWIB meetings visit:

[http://www.siwib.org/  
displaymeetings.asp](http://www.siwib.org/displaymeetings.asp)

#### FROM NY TIMES:

#### How the Health Care Overhaul Could Affect You

[http://www.nytimes.com/interac-  
tive/2010/03/21/us/health-care-reform.  
html#scenario-1](http://www.nytimes.com/interactive/2010/03/21/us/health-care-reform.html#scenario-1)

#### FROM USA TODAY:

#### The good and bad in health care reform for small businesses.

[http://www.usatoday.com/money/smallbusi-  
ness/columnist/abrams/2010-03-26-what-  
health-care-reform-means\\_N.htm](http://www.usatoday.com/money/smallbusiness/columnist/abrams/2010-03-26-what-health-care-reform-means_N.htm)