

COUNCIL ON WORKFORCE INVESTMENT

Dislocated Worker Subcommittee March 12, 2009 Madison, Wisconsin Draft Minutes

Members Present: James Haney, JoAnna Richard, Colleen Bates, Jayson Chung, Phil Neuenfeldt and Greg Gasper for Senator Joe Leibham

Members Absent: Mark Reihl

DWD Staff Present: Annette Nekola, Gary Denis and Dianne Reynolds

Others Present: John Milisaukas and Terri Johnson, Southeast WDA; Roger Hinkle, Milwaukee WDA; Deborah Blum, WOW WDA; Betty Gregory-Paasch, Bay Area WDA; Cindy Kiesling, North Central WDA; Jim Lindbo and Kris Pawlowski, West Central WDA; Beth Sullivan, Western WDA; and Bob Borremans, Southwest WI WDA

Key Issues/Discussion

1. **Call to Order and Approval of Minutes.** Chair Haney called the meeting to order at 10:05 a.m. Minutes of the meeting of November, 2008 were approved on a motion by Richard, second by Bates. Motion passed.
2. **Special Response Funding.**
 - a. **Dislocated Worker Program Updates.** Annette Nekola provided updates on dislocation activity in the state. Through February, 2009 DWD has received notice of 45 events affecting 3,390. Manufacturing still accounts for the majority of affected workers, including the automotive industry and paper mills.
 - b. **PY2008 Second Quarter Performance Summary.** Outcomes for the second of PY2008, ending 12/31/2008 were presented. Overall enrollments are 96% of the number planned. Thirty-four per cent of participants were enrolled in a training activity and 47% of funds awarded have been expended. Seventy-seven per cent of those completing services have found employment. Robert Borremans of the Southwest WDA, which includes Rock County, noted the small number of job postings now available and suggested that there may be need for the State to renegotiate performance standards due to the high volume of layoffs and lack of available job openings. JoAnna Richard asked about the status of Trade Adjustment Assistance (TAA) certification for the GM workers. The denial of certification was not appealed. It was noted that new TAA program provisions include the designation of communities as adversely impacted by foreign trade. As more information on this program becomes available it should be determined whether any areas in Wisconsin could be eligible.
 - c. **Funding Availability.** Annette Nekola reviewed the level of funding available for Special Response Grants at this time. Total funds available for grants in PY2008 is \$6,293,069. This includes the PY2008 allotment of \$5,578,093 plus \$714,976 in

- d. **Special Response Grant Requests – Additional Target Groups and Funding** Nine Workforce Development Areas submitted grant modifications. All are requesting additional funds to serve new and continuing target groups.

Funding Request A - Southeastern Wisconsin Workforce Development Area

Special Response Grant Request (modification)

Current grant - \$178,000; Grant request – additional \$65,137

Proposed number served – 206

Continuing target groups – Conn-Selmer, Inc. (Kenosha), Conn-Selmer, Inc. (Elkhorn), Frank Wells, Sanmina

New target groups – Hexion, Greatwide, ZP Electronics, Plymouth Tube, J.W. Peters, Automated Building Components

Staff Recommendation – Staff recommend the approval of the six new target groups and an additional \$65,137 as requested.

Action – Motion to approve the staff recommendation to add six new target groups and to award an additional \$65,137 made by Richard; second by Neuenfeldt.

Funding Request B - Milwaukee Workforce Development Area

Special Response Grant Request (modification)

Current grant - \$25,000 (Start-up Grant to initiate services to Viasystems awarded 1/2009);

Grant request – additional \$135,000; Proposed number served – 200

Continuing target groups – Viasystems Milwaukee, Inc.,

New target groups – E.R. Wagner Manufacturing Company, Midwest Airlines

Staff Recommendation – Staff recommend approval of the E.R. Wagner and Midwest Airlines target groups and an additional \$135,000 in funding for a total grant of \$160,000.

Action – Motion to approve the staff recommendation to new target groups and to award an additional \$135,000 made by Richard; second by Neuenfeldt.

Funding Request C - Waukesha-Ozaukee-Washington Workforce Development Area

Special Response Grant Request (modification)

Current grant - \$960,267; Grant request – additional \$263,538

Proposed number served – 695.

Continuing target groups – Kerry Ingredients, Tecumseh Products, Midwest Building Systems, Amity/Rolfs, Carlisle Tire & Wheel, NECCO/Stark Candy, JC Penney, Huffy, Ozaukee Bank, Simplicity, Serigraph, Broan-Nutone, Kelch/Div. of Bemis, Gehl, Cooper Power, Quad Graphics

Start-Up Grants totaling \$80,000 were awarded in December, 2008 and January, 2009 to initiate service to new target groups including Serigraph, Gehl, Cooper Power Systems and Quad Graphics

New target groups – Husco International, Broan-Nutone (1/2009 layoff), Steel Craft, EST Company

Staff Recommendation – Staff recommend approval of additional funding in the amount of \$263,538 to serve three new target groups and groups previously approved.

Action – Motion to approve the staff recommendation made by Bates; second by Richard. Motion passed.

Funding Request D - Fox Valley Workforce Development Area

Special Response Grant Request (modification)

Current grant - \$768,135; Grant request – additional \$217,680
Proposed number served – 675

Continuing target groups – NewPage (Kimberly) , Kimberly Clark (Lakeview Plant), Econo Foods, JMS Converters, Calumet County Homestead Nursing Home, Hoffmaster, Home Depot, Mercury Marine, Outlook Group, ThyssenKrupp, Bremner Foods, Appleton Paper, Miller Electric, Presto Products, Steve and Barry's, Tumbleweed Restaurant, Wilson Hurd

A Start-Up Grant in the amount of \$25,000 was awarded on 12/19/2008 to initiate services to the Appleton Paper, Miller Electric, Presto Products, Steve and Barry's, Tumbleweed Restaurant and Wilson Hurd target groups

New target groups – Cummins, Circuit City

Staff Recommendation – Staff recommend the approval of additional funding in the amount of \$217,680 and the approval of two new target groups as requested.

Action – Motion to approve the staff recommendation made by Richard; second by Neuenfeldt. Motion passed.

Funding Request E - Bay Area Workforce Development Area

Special Response Grant Request (modification)

Current grant – \$656,679; Grant request – additional \$287,466
Proposed number served – 489

Continuing target groups – Emerson Motors, NewPage (Niagara), Kohler, Pentair Water

New target groups – Marinette Marine

Staff Recommendation – Staff recommend additional funding in the amount of \$287,466 and the addition of the Marinette Marine target group.

Action – Motion to approve the staff recommendation made by Richard; second by Bates. Motion passed.

Funding Request F - North Central Workforce Development Area

Special Response Grant Request (modification)

Current grant - \$618,000; Grant request – additional \$379,366

Proposed number served – 500

Continuing target groups – Domtar, SNE Enterprises Inc., Schreiber Foods, Wick Building Systems, Federal Mogul, Sartori Foods

New target groups – Wausau Homes, New Page, Greenheck

Staff Recommendation – Staff recommend the addition of the Wausau Homes, New Page and Greenheck target groups and \$379,366 in additional funds as requested. Subsequent to the submission of their application the WDA requested to add Basic American Foods (106 affected; 20 to be served) and Donaldson Company (80 affected; 20 to be served). Workers from both of these target groups have been surveyed. Staff recommend that these target groups be approved for inclusion under the grant.

Action – Motion to approve the staff recommendation made by Bates; second by Richard. Motion passed.

Funding Request G - West Central Workforce Development Area

Special Response Grant Request (modification)

Current grant - \$439,009; Grant request – additional \$206,268

Proposed number served – 252

Continuing target groups – 3M-EauClaire, Hutchinson Technology, Lakeside Nursing, Northern Wisconsin Center, Regal Beloit-Leeson Electric, Wright Products, L.O. Simenstad Nursing Care Unit, UFE, Master Craft, Country Market

New target groups – Andersen Windows, CEVA Logistics, NBI, Sanmina, Lorman Education Services, SGI Silicon Graphics, Minnesota Rubber and Plastics, Cummins

Staff Recommendation – Staff recommend approval of eight new target groups and \$206,268 in additional funding as requested.

Action – Motion to approve the staff recommendation made by Neuenfeldt; second by Richard. Motion passed.

Funding Request H - Western Workforce Development Area

Special Response Grant Request (new)

Amount requested - \$144,979; Proposed number served – 200

Target groups – Miniature Precision Components, Inc., LaCrosse Footwear, Reinhart Real Estate Group, Cardinal IG, NCR Consumables, Trane Company, Business Objects

Staff Recommendation – Subsequent to the submission of this application Reinhart Real Estate (Ace Hardware Stores) secured a buyer for the business so this target group will not be served under the grant. The WDA also requests the addition of PACAL Industries and to serve 25 of the 96 affected workers. Rapid response meetings for these workers

have been held. Staff recommend approval of a new grant in the amount of \$144,979 to serve seven target groups, including PACAL Industries.

Action – Motion to approve the staff recommendation made by Richard; second by Neuenfeldt. Motion passed.

Funding Request I - Southwest Workforce Development Area

Special Response Grant Request – modification
Current grant -\$386,272; Grant request – additional \$150,000
Proposed number served – 902

Continuing target groups – Advance Transformer, Chrysler, Alcoa, Lear, General Motors, United Industries, Chromalox, Logistics Services, Inc. (LSI)

Additional target group – Rockwell Industries

Staff Recommendation – Staff recommend an additional \$150,000 in funds to serve one new target group and eight continuing target groups.

Action – Motion to approve the staff recommendation made by Richard; second by Neuenfeldt. Motion passed.

3. **Economic Stimulus – Impacts on dislocated worker program.** Wisconsin will receive \$16,059,607 in WIA dislocated worker program funds under the American Recovery and Reinvestment Act. The intent of these funds is to be able to serve substantially more dislocated workers and to provide for retraining for jobs in demand and that pay sustainable wages. DWD may require that up to 70% of funds be dedicated to training activities. There was discussion of the capacity of the educational system, including technical colleges, to accommodate the influx of so many dislocated workers. Alternative training sites, such as high schools, may need to be explored. Bob Borremans reported that General Motors will be donating welding machines and that training sites need to be identified. To date, it is not known how the earmark grant recently received by Black Hawk Technical College to retrain auto workers will be coordinated with the WIA program.
4. **Planning for PY2009.** Discussion of frequency of subcommittee meetings and grant awards for Program 2009 which begins in July. Due to the level of dislocation activity occurring it is proposed that four meetings be held in PY2009 instead of three like this year. Staff are requested to consult with the Workforce Development Boards to develop a schedule of meetings for the coming year.
5. **Adjourn.** There being no further business, the meeting was adjourned at 11:40. The next meeting will be held in mid-March.