

COUNCIL ON WORKFORCE INVESTMENT

Dislocated Worker Subcommittee June 17, 2009 Madison, Wisconsin Draft Minutes

Members Present: James Haney, JoAnna Richard, Colleen Bates, Jayson Chung, Phil Neuenfeldt, Mark Reihl and Cullen Werwie for Senator Joe Leibham

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

Others Present: John Milisauskas and Terri Johnson, Southeast 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 and Jerry Hanoski, Western WDA; Robert Borremans, Southwest WI WDA; Patricia Schramm and Seth Lentz, South Central WDA; Cindy Odden and Bradley Boyle United Steelworkers Local 904 (Goodyear-Veyance).

Key Issues/Discussion

1. **Call to Order and Approval of Minutes.** Chair Neuenfeldt called the meeting to order at 9:00 a.m. Minutes of the meeting of March 12, 2009 were approved on a motion by Richard, second by Haney. Motion passed.

2. **Special Response Funding.**

a. **Dislocated Worker Program Updates.** Annette Nekola provided updates on dislocation activity in the state. Through May DWD has received notice of 147 events affecting 10,659 workers. This is nearly 100 more events and 4,000 more workers than in May of 2008. Manufacturing still accounts for the majority of affected workers. The high number of upcoming closures versus layoffs was noted.

b. **PY2008 Third Quarter Performance Summary.** Special Response Grant outcomes for the third quarter of PY2008, ending 3/31/2008 were reviewed. Program enrollments are 92% of the number planned. Thirty-four per cent of participants were enrolled in a training activity and 50% of funds awarded have been expended. The expenditure rate is low considering that three quarters of the year is passed. Southeast WDA noted that their expenditures are low due to fact that some companies became certified for the TAA program subsequent to inclusion in the Special Response Grant so WIA weren't needed for training and also that expenditures do not reflect pending invoices from the technical colleges. Gary Denis noted that funds owed for training should be reflected in accrued expenditures whether or not the technical colleges had invoiced so it appears that not all WDAs are properly reporting expenditures on accrual basis as required. Jayson Chung will follow up on the late technical college billing issue.

c. **Funding Availability.** Annette Nekola reviewed the level of funding available for Special Response Grants at this time. Total funds available for grants in PY2009 is \$7,863,550 which includes \$4,020,648 of the state's annual Rapid Response allocation and \$3,842,902 of the Rapid Response portion of the additional dislocated worker

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

In order to hear the comments of Ms. Odden and Mr. Boyle of the Steelworkers' union the South Central WDA application was discussed first.

Funding Request J - South Central Workforce Development Area

Special Response Grant Request

\$296,179 (7/1/09-12/31/09), \$592,357 (7/1/09-6/30/10)

Proposed number served – 380

New target groups – Wolf/Sub-Zero, APV, Goodyear, Maysteel, SITEL

Ms. Odden and Mr. Boyle represent the layoff committee at Goodyear/Veyance, Sun Prairie. They reported that their union was not aware a request for funds to serve their membership was being submitted until a week prior to the due date and that there was no opportunity to review the application before it was submitted.

Annette Nekola explained that when affected workers to be served under Special Response Grants are represented by a union, the WDA will consult with the union prior to submission of an applications for grant funds. DWD staff will do more follow up in the future to make sure this is done.

Seth Lentz of the South Central WDA sent the grant application for review to Tom Angell, his union contact at Goodyear; he also sent the application and had discussions with union representatives at Wolf/Sub-Zero and APV/Crepaco, other target groups included in the grant. Ms. Odden reported that Greg Luptow is the President of Local 904 and the information should have been sent to him.

Staff Recommendation – Staff recommended the approval of five new target groups as requested and \$236,943 in funding.

Action – Motion by Neuenfeldt to approve the staff recommendation contingent on providing evidence to DWD staff of consultation with the union and the union's satisfaction with the application. This can be in the form of a letter to DWD. Richard seconded the motion. Motion carried. Ms. Odden and Mr. Boyle provided additional comments on the application and services provided to their membership. Patricia Schramm commented that it was their intent in requesting additional funds to be able to provide some of the services, such as the work skills center, that the dislocated workers found particularly beneficial.

Funding Request A - Southeastern Wisconsin Workforce Development Area

Special Response Grant Request

\$94,000 (7/1/09-12/31/09), \$303,899 (7/1/09-6/30/10)

Proposed number served – 95

Continuing target groups – Conn-Selmer, Inc. (Kenosha), Conn-Selmer, Inc. (Elkhorn), Frank Wells, Sanmina, Hexion, Greatwide, Plymouth Tube, J.W. Peters

Staff Recommendation – Staff recommended approval of the continuing target groups and \$94,000 as requested.

Action – Motion to approve the staff recommendation made by Haney; second by Richard. Motion carried.

Funding Request B - Milwaukee Workforce Development Area

Special Response Grant Request

\$450,000 (7/1/09-12/31/09), \$900,000 (7/1/09-6/30/10)

Proposed number served – 500

Continuing target groups – Viasystems, Midwest Airlines, E.R. Wagner Mfg.

New target groups – Harley-Davidson, Universal Brixius, Stroh Die Casting, Unilever Food Solutions, Actuant Power Packer, Liberty Mutual

Staff Recommendation – Staff recommended the approval of the six new and three continuing target groups and \$360,000 in funding.

Action – Motion to approve the staff recommendation made by Richard; second by Haney. Motion carried.

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

Special Response Grant Request

\$924,412 (7/1/09-12/31/09), \$1,540,686 (7/1/09-6/30/10)

Proposed number served – 700

Continuing target groups – Ozaukee Bank, Cooper Power Systems, Quadgraphics, Kelch/Bemis Manufacturing, Husco, Simplicity, Broan-Nutone, Serigraph, Gehl

New target groups – Waukesha Electric, Waukesha Foundry, Waukesha Engine, Harley Davidson, AGFA Healthcare, Invivo, International Paper, Ram Tool, Rockwell Automation, Milliken Millworks

Staff Recommendation – Staff recommended approval of the ten new and nine continuing target groups and \$693,309 in funding. This grant to be funded with ARRA funds.

Action – Motion to approve the staff recommendation made by Bates; second by Chung. Motion carried.

Funding Request D - Fox Valley Workforce Development Area

Special Response Grant Request

\$558,000 (7/1/09-12/31/09), \$1,154,265 (7/1/09-6/30/10)

Proposed number served – 620

Continuing target groups – Appleton Paper, Appleton Coated, Brillion Iron Works, Cummins, Hoffmaster, Mercury Marine, Miller Electric, New Page, Presto Products, ThyssenKrupp, Walker Forge, Wilson Hurd

New target groups – Gulfstream, Oshkosh B’Gosh

Staff Recommendation – Staff recommended the approval of two new and twelve continuing target groups and funding of \$446,400 to be funded with ARRA funds.

Discussion – Haney asked about the DWD requirement that 70% of ARRA funding be spent on training. Staff clarified that that requirement did not apply to these grants. Instead the existing expectation that 35% of funds be spent on training applies.

Action – Motion to approve the staff recommendation made by Richard; second by Haney. Motion carried.

Funding Request E - Bay Area Workforce Development Area

Special Response Grant Request

\$704,744 (7/1/09-12/31/09), \$1,306,547 (7/1/09-6/30/10)

Proposed number served – 815

Continuing target groups – New Page, Kohler, Pentair Water, Marinette Marine

New target groups – JL French, Thomas Industries, Genmar Yacht Group, Koenig and Vits, Manitowoc Company

Staff Recommendation – Staff recommended the approval of five new and four continuing target groups and \$563,795 in funding. Annette Nekola noted that a National Emergency Grant (NEG) application was submitted on June 16 covering eleven manufacturing layoffs including JL French, Genmar Yacht Group (Carver Boats), Koenig and Vits, Manitowoc Company, Kohler, Pentair Water, Marinette Marine, KCS International (Cruisers), Winsert, Karl Schmidt Unisia and Federal Mogul. The latter three company layoffs are auto industry related. When the NEG is approved, participants will be moved from the Special Response Grant and their services will be funded by the NEG.

Action – Motion to approve the staff recommendation made by Haney; second by Bates; Richard abstaining. Motion carried.

Funding Request F - North Central Workforce Development Area

Special Response Grant Request

\$625,000 (7/1/09-12/31/09), \$1,314,435 (7/1/09-6/30/10)

Proposed number served – 692

Continuing target groups – Domtar, SNE Enterprises Inc., Schreiber Foods, Wick Building Systems, Sartori Foods, Wausau Homes, Greenheck, Basic American Foods, Donaldson Company

New target groups –Wisconsin Box, Marathon Electric, Cequent Trailer

Staff Recommendation – Staff recommended the approval of three new and nine continuing target groups and \$500,000 in funding.

Action – Motion to approve the staff recommendation made by Richard; second by Chung. Motion carried.

Funding Request G - Northwest Workforce Development Area

Special Response Grant Request

\$235,000 (7/1/09-12/31/09), \$402,900 (7/1/09-6/30/10)

Proposed number served – 357

New target groups – Phillips Plastics, Hurd Millwork, Columbia Forest Products, Weathershield Manufacturing, Jeld-Wen Windows

Staff Recommendation – Staff recommended the approval of all five new target groups and \$235,000 in funding as requested.

Action – Motion to approve the staff recommendation made by Bates; second by Chung. Motion carried.

Funding Request H - West Central Workforce Development Area

Special Response Grant Request

\$909,211 (7/1/09-12/31/09), \$1,772,004 (7/1/09-6/30/10)

Proposed number served – 399

Continuing target groups – Andersen Windows, Cummins, Hutchinson Technology, Lakeside Nursing, L.O. Simenstad, Minnesota Rubber and Plastic, Regal Beloit, Samina, SGI

New target groups – Cummins, Donaldson Company, Mason Companies, MBI Quayside, Weathershield, Principle Fixture Millworks, Saturn of Eau Claire

Staff Recommendation – Staff recommended the approval of the seven new and nine continuing target groups and \$681,908 in funding. This grant to be funded by ARRA funds.

Discussion – Richard suggested that Saturn reapply for Trade Adjustment Assistance under new rules. Haney noted the high cost per participant in this application. Jim Lindbo of Workforce Resource stated that the apparent high cost was due to the high level and high cost of the training offered under the grant.

Action – Motion to approve the staff recommendation made by Haney; second by Richard; Bates abstaining. Motion carried.

Funding Request I - Western Workforce Development Area

Special Response Grant Request

\$253,949 (7/1/09-12/31/09), \$415,998 (7/1/09-6/30/10)

Proposed number served – 299

Continuing target groups – Miniature Precision Components, Inc., LaCrosse Footwear, Cardinal IG, NCR Consumables, Trane Company, PACAL Industries

New target groups – Northern Engraving, Toro, TRW

Staff Recommendation – Staff recommended the approval of three new and six continuing target groups and \$253,949 in funding.

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

Funding Request K - Southwest Workforce Development Area

Special Response Grant Request

\$199,207 (7/1/09-12/31/09), \$343,515 (7/1/09-6/30/10)

Proposed number served – 165

Continuing target groups – Woodbridge, Rockwell Industries, Chromalox

Staff Recommendation – Staff recommended the approval of the three continuing target groups as requested and \$146,348 in funding.

Action – Motion to approve the staff recommendation made by Haney; second by Richard. Motion carried.

- 3. Adjourn.** There being no further business, the meeting was adjourned at 10:34 a.m. The next meeting will be held in mid-September.