

## COUNCIL ON WORKFORCE INVESTMENT

### Dislocated Worker Subcommittee March 19, 2008 Madison, Wisconsin Draft Minutes

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

**Members Absent:** Mark Reihl

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

**Others Present:** Bill Eskola, Northwest WDA; Cindy Kiesling, LETC (North Central WDA), and Jim Golembeski (Bay Area WDA).

#### Key Issues/Discussion

1. **Call to Order and Approval of Minutes.** Chair Haney called the meeting to order at 8:40 with a quorum present. Minutes of the meeting of November 13, 2007 were approved on a motion by Bates, second by Richard. Motion passed.

#### 2. **Special Response Funding.**

a. **Dislocated Worker Program Updates.** Annette Nekola provided updates on dislocation activity in the state. Through February of 2008, DWD has received notice of 20 dislocation events affecting 2,679 workers. For the same period in 2007, there were 21 events with 1,559 workers affected. Manufacturing accounts for more than half of the affected workers, including more than 500 in paper mills. Significant dislocations will occur in the paper and automotive industries in 2008.

b. **PY2007 Second Quarter Performance Summary.** Program Year 2007 outcomes for the quarter ended 12/31/2007 were reviewed. Overall, the outcomes are as planned for the period including 83% of projected program enrollments and 50% of funds expended. Thirty three percent of the individuals enrolled are participating in training and 70% of individuals completing services under the grants are employed.

c. **Funding Availability.** Annette Nekola reviewed the level of funding available for Special Response Grants at this time. For the program year that began 7/1/2007, a total of \$3,685,748, including \$255,120 in PY2006 carry-in, was available for grants. As of the last meeting of the subcommittee in November, \$3,398,409 had been obligated in grants. Four Special Response Start-Up Grants of \$25,000 each were awarded to four WDAs in order to initiate services to large groups of workers being dislocated. These included grants to the Bay Area WDA to respond to the announced closure of the NewPage paper mill in Niagara; North Central WDA for the closure of the Domtar paper mill in Port Edwards; Western Wisconsin WDA for layoffs occurring at the Trane Distribution Center in La Crosse and to Southwest Wisconsin WDB for the closure of the Phillips Electric (Advance Transformer) plant in Boscobel. The available fund balance through June 30, 2008 is \$203,816. This figure also accounts for an estimated rescission of \$120,760. Chair Haney inquired about the difference between total funds

available and the amount obligated to Special Response Grants. Annette Nekola explained that the \$86,000 difference is a grant DWD issued to the Labor Education and Training Center for statewide rapid response activities.

- e. **Special Response Grant Requests – Additional Target Groups and Funding** Nine WDAs submitted grant applications. Five are requesting additional funds; the remaining four are requesting to add new target groups to be served under funds previously awarded.

#### **Funding Request A - Southeastern Wisconsin Workforce Development Area**

Special Response Grant Request – modification  
Current grant - \$71,000

Continuing target groups –Deluxe Media Services, Hexion, Converse Industries

New target group – Sentry Food, Kenosha (formerly Jewel-Osco)

Proposed number served – 36

Staff Recommendation - Staff recommend the addition of the Sentry Foods, Kenosha target group. No additional funding is requested.

Action – Motion to approve the staff recommendation to add Sentry Foods as a new target group made by Richard; second by Neuenfeldt. Motion passed.

#### **Funding Request B - Milwaukee County Workforce Development Area**

Special Response Grant Request – modification  
Current grant - \$551,000

Continuing target groups – Washington Mutual, Jewel Osco, Delphi Energy/Delphi Electrical, Reiman Media Group, 3M Touch Systems, Hillview Health Care Center, AT&T, Wellpoint, Bowne Marketing, Goldman's, Inc., Milsco Manufacturing

New target group – Cudahy Tanning Company

Proposed number served – 300

Staff Recommendation - Staff recommend the addition of the Cudahy Tanning Company target group and those Delphi laid off prior to 5/31/2007 that are not eligible for services under the National Emergency Grant. The Cudahy Tanning group is expected to need intensive services since 50% lack a high school diploma and 36% are limited English speakers. No additional funding was requested.

Action – Motion to approve the staff recommendation to add Cudahy Tanning as a new target group and expand the Delphi target group made by Neuenfeldt; second by Richard. Motion passed.

## **Funding Request C – W-O-W Workforce Development Area**

### Special Response Grant Request – modification

Current grant - \$750,000

Continuing target groups –Amity, Array, Baldor Corp., Cardinal Health, CompUSA, Doll Foods, Gehl, Huffy, Jewel/Osco, Journal Communications, Kraft, Parker Hannifin, Quebecor World, Salon Systems, Schwarz Pharma, Carlisle, HB Performance, JC Penney, Regal Ware, Jay Foods, Inc.

New target groups – Midwest Building Systems, Sportsman’s Warehouse, Kerry Ingredients, Tecumseh Products

Proposed number served – 420

Staff Recommendation -Staff recommend the approval of four new target groups including Midwest Building Systems, Sportsman’s Warehouse, Kerry Ingredients and Tecumseh Products. No additional funding was requested. Upcoming large closures in the WOW area include Simplicity in October, 2008 which will affect 325 and NECCO/Stark Candies closing in late May which will affect 135.

Action – Motion to approve the staff recommendation to add the four new target groups Midwest Building Systems, Sportsman’s Warehouse, Kerry Ingredients and Tecumseh Products made by Richard; second by Neuenfeldt. Motion passed.

## **Funding Request D - Fox Valley Workforce Development Area**

### Special Response Grant Request – modification

Current grant - \$125,000

Grant request – additional \$109,000

Continuing target groups – Kimberly Clark Lakeview Plant, Econo Foods, Calumet County Nursing Home, JMS Converters, Chef Fresh

New target groups – NewPage-Kimberly, Franciscan Care, Anthony Farms

Proposed number served – 163

Staff Recommendation - Staff recommend the addition of three new target groups, as requested, including NewPage-Kimberly (formerly Stora Enso), Franciscan Care and Anthony Farms. Staff also recommend \$33,816 in additional funding for a total grant of \$158,816. If sufficient need is identified, the NewPage-Kimberly group may be included in the forthcoming application for a National Emergency Grant together with the NewPage plant closure in Niagara.

Action – Motion to approve the staff recommendation to add three new target groups including NewPage-Kimberly (formerly Stora Enso), Franciscan Care and Anthony Farms and to award an additional \$33,816 in funding made by Gasper; second by Chung. Motion passed.

## **Funding Request E - Bay Area Workforce Development Area**

### Special Response Grant Request – modification

Current grant - \$171,273

Grant request – additional \$35,000

Continuing target group – Bay Area Medical, Emerson Motors

New target group – NewPage, Niagara

Proposed number served – 208

Staff Recommendation - Staff recommend funding in the amount of \$35,000 and the addition of the NewPage-Niagara target group, as requested. A Start-Up Grant in the amount of \$25,000 was previously awarded to initiate services to workers impacted by the NewPage Niagara plant closure. Start-up services include 401K seminars and training of peer advisors. National Emergency Grant funds may also be applied for to serve these workers.

Action – Motion to approve the staff recommendation to add the NewPage-Niagara target group and award an additional \$35,000 in funding made by Chung; second by Bates. Motion carried.

## **Funding Request F - North Central Workforce Development Area**

### Special Response Grant Request – modification

Current grant - \$135,000

Grant request – additional \$82,000

Continuing target group – Kerry Ingredients, Wausau Papers, Graphic Packaging, Badger Attachments

New target groups – NewPage, Wisconsin Rapids; Brunswick and Domtar

Proposed number served – 150

Staff Recommendation - Staff recommend funding in the amount of \$50,000 and the addition of three new target groups – NewPage (Wisconsin Rapids); Domtar and Brunswick. A Start-Up Grant in the amount of \$25,000 was previously awarded to initiate services to workers impacted by the Domtar plant closure. National Emergency Grant funds will also be applied for to serve the workers affected by the Domtar and NewPage events.

Action – Motion to approve the staff recommendation to add three new target groups including NewPage (Wisconsin Rapids); Domtar and Brunswick and award an additional \$50,000 in funding made by Neuenfeldt; second by Richard. Motion carried.

## **Funding Request G - Northwest Wisconsin Workforce Development Area**

### Special Response Grant Request – modification

Current grant - \$50,000

Grant request – additional \$50,000

Continuing target group – Capeside Cove Good Samaritan Center

New target group – General Mills Operations, Inc.

Proposed number served – 50

Staff Recommendation - Staff recommend the addition of the General Mills, Poplar target group as requested and additional funding in the amount of \$30,000 for a total grant of \$80,000 in this WDA.

Action – Motion to approve the staff recommendation to add General Mills as a target group and award \$30,000 in additional funds by Richard; second by Bates. Motion carried.

### **Funding Request H - West Central Workforce Development Area**

**Special Response Grant Request** – modification

Current grant - \$875,000

Continuing target groups – Ardisam, 3M-EauClaire, AmTech, Andersen Windows-Menomonie, Fleetguard/Nelson, Johnson Truck Body, Kolpak, Lakeside Nursing, Northern Center, Rutledge Home, SGI, Wright Products, Hutchinson Technology, Chippewa Falls Ford, TRAC, TQC

New target groups – Golden Age Nursing Home, Wisconsin Truss

Proposed number served – 337

Staff Recommendation - Staff recommend the addition of two target groups, Golden Age Nursing Home and Wisconsin Truss, as requested -. No additional funding was requested.

Action – Motion to approve the staff recommendation to add the two new target groups, Golden Age Nursing Home and Wisconsin Truss made by Richard; second by Neuenfeldt. Motion carried.

### **Funding Request I - Southwest Workforce Development Area**

Special Response Grant Request – modification

Current grant - \$25,000

Grant request – additional \$31,900

Continuing target groups – Advance Transformer

New target groups – Chrysler, Alcoa

Proposed number served – 100

Staff Recommendation - A Start-Up Grant in the amount of \$25,000 was previously awarded to initiate services to workers being affected by the closure of the Phillips Electric/Advance Transformer plant in Boscobel. Staff recommend additional funding of \$25,000 for continued service to the Advance Transformer group and to initiate services to workers affected by staff reductions at the Chrysler plant in Belvidere, Illinois and

Alcoa Wheel. National Emergency Grant funding will be sought to address these and other pending layoffs in the automobile industry in southern Wisconsin.

Action – Motion to approve the staff recommendation to add the Chrysler and Alcoa and award an additional \$25,000 in funding made by Neuenfeldt; second by Richard. Motion carried.

**3. Special Response Grant Process for PY2008.** For the new grant year starting July 1, 2008 staff are proposing some changes to the Special Response Grant process. The purpose of the proposed changes is to provide better information on which to base funding decisions and to better manage the available funds over the program year. Proposed changes include:

- Dislocated Worker Subcommittee meet three, not four times during the program year. Meetings would be held mid June to recommend grant funding through December 31; mid November for the second half of the program year and mid-March for final quarter of program year.
- Minimize the number of participants carried over from prior years' layoffs.
- Develop TAA/WIA coordination agreement for all WDAs requesting funds to serve a TAA certified group. The agreement would demonstrate how each funding stream is used to provide services and emphasize the use of TAA funds for training.
- Require that worker orientations be held before a target group is approved. This could be waived for exceptional circumstances.
- Applications for funds include a more detailed analysis of worker needs based on characteristics of affected groups and opportunities in the local labor market.
- Applications include a description of local processes for prioritizing services to dislocated workers and how the need for Special Response funds is identified.

These changes would require the following at the time the WDA first applies for funding for the year:

1. Description of how Special Response funds are coordinated with and used to supplement the services available through the formula funded dislocated worker program and how the need for Special Response funds is determined.
2. Description of local policies and processes:
  - to ensure that all available sources of training funds are identified and used before WIA funds (Pell, veteran's benefits, TAA, etc.);
  - for determining local eligibility for and prioritizing services to dislocated workers;
  - use of labor market information to determine that dislocated workers are unlikely to return to previous occupation or industry and to determine appropriate service options.
3. TAA-WIA Coordination agreement.
4. Justification for any participants carried over from prior year's grant

Subcommittee members concurred with staff recommendations for changes to the Special Response Grant process. Changes will be implemented for the next round of grant applications which will be due in mid-May.

**4. Adjourn.** There being no further business, the meeting adjourned at 9:45 a.m. The next meeting of the Subcommittee will be held in mid-June. Annette Nekola will poll the subcommittee to determine the date and time.