

COUNCIL ON WORKFORCE INVESTMENT

Dislocated Worker Subcommittee

May 17, 2006

Madison, Wisconsin

MEETING MINUTES

Members Present: James Haney, Phil Neuenfeldt, Micabil Diaz-Martinez, Senator Joe Leibham, and Aaron Olver.

Members Absent: Jayson Chung, Mark Reihl and Daniel Andrist

CWI Staff Present: Ron Danowski, Annette Nekola and Sheryl Billups

Others Present: Cheryl Welch, Fox Valley WDB; Dianne Hoffmann, South Central WDB; Cindy Kiesling, AFL-CIO LETC (North Central WDA), Sally Cutler, North Central WDB, Ed Werstein, WOW WDB and Beth Sullivan, Workforce Connections (Western WDA)

Key Issues/Discussion

- 1. Call to Order and Approval of Minutes.** Chair Haney called the meeting to order at 8:35 a.m., a quorum was present. Members and guests introduced themselves.

Motion was made to accept the minutes of the March 15, 2006 meeting as distributed. Motion Olver, second Neuenfeldt. Motion carried.

- 2. Special Response Funding.**

- a. Dislocated Worker Program Updates.** Ron Danowski provided updates on worker dislocation activity. The number of dislocation events reported to the state for the quarter ending 3/31/06 are nearly identical to the same period last year. The numbers of workers affected by the 2006 layoffs is not yet known as some of the layoffs that have been announced will not occur in the immediate future. Most layoffs continue to occur in the manufacturing sector. The Fox Valley area is particularly active due to continued paper industry layoffs.
- b. Funding Availability.** Ron Danowski reviewed the level of funding available for Special Response Grants for the remainder of the current year and for the new program year that begins July 1. There are \$366,000 in current year funds available. There are requests for \$125,000 of these funds for consideration today. If that is approved, the balance of Program Year 2005 funds will be \$241,000. For the program year beginning 7/1/2006 there will be \$3,420,825 in new money available for grants. Due to a change by the US Department of Labor (DOL) in the methodology of allotting funds to states, only 90% of the estimated award has been granted. It is expected that approximately \$800,000 obligated to existing grants will be unspent and available for use after July 1. In total, approximately \$4,482,000 is available. There are eight requests for funding before the sub-committee today. One of these (Smart Papers in Park Falls) is for the current program year. Staff are recommending funding in the amount of \$2,287,771 through 12/31/06 for the 7 new projects starting 7/1/06.

c. Funding Requests.

Funding Request A - Waukesha-Ozaukee-Washington WDA

New target groups – Brio Toy Inc., Gehl Corp., Regal Ware, Kraft and Quebecor World

Continuing target groups – Midas, Strong Financial, Triumph Engineering., SignStrut, Array, Russell Corp. (Huffy), OSI Outsourcing Solutions Inc., and First Health

Grant request \$ 707,780 (7/1/2006 – 12/31/06)
\$1,348,147 (7/1/2006 – 6/30/2007)

Proposed number served – 577 (55 carried in from prior program year)

Staff Recommendation

Fund this project in the amount of \$500,000 through 12/31/2006. Several factors were taken into account in recommending funding at a lower level than requested by the WDA. Workers from Gehl, a farm implement manufacturer, can be served under an existing statewide National Emergency Grant for farmers and agriculture related workers. Russell Corporation (Huffy) is expected to be certified for and receive funding for services through the Trade Adjustment (TAA) program. Quebecor is a large layoff, but the numbers interested in services have not yet been determined. A petition for TAA certification is also pending for this company. More funding may be requested in August once the needs of the Quebecor group are better known.

Action – Motion to approve \$500,000 in funding as recommended by staff made by Neuenfeldt; second by Leibham. Motion carried.

Funding Request B - Fox Valley WDA

New target groups – Tecumseh, Kimberly-Clark/Lakeview plant

Continuing target groups – Advanced Data-Comm, Air Wisconsin, Norwood Promotional Products, Riverside Paper, SJP Corporation, Mercury Marine, Alcan Packaging, Glatfelter, Kimberly Clark Corporation

Grant request \$294,010 (7/1/2006 – 12/31/2006)
\$588,022 (7/1/2006 - 6/30/2007)

Proposed number served – 256 (50 carried in from prior program year)

Staff Recommendation

Fund in the amount of \$294,010, as requested, for the 6 months ending 12/31/2006. The Fox Valley has been especially hard hit by recent layoffs and more are pending. The WDA may request additional funding, if needed in August, 2006.

Action – Motion to approve \$294,010 in funding as requested and recommended by staff made by Neuenfeldt; second by Leibham. Motion carried.

Funding Request C - North Central Wisconsin WDA

New target groups – KMART-Wausau, Wausau Insurance/Liberty Mutual, Fiskars

Continuing target groups – Petersen Healthcare, Stora Enso, Wausau Papers, KMART-Rhineland, Marshfield Door Systems, Domtar

Grant request \$ 90,000 (7/1/2006 – 12/31/2006)
\$168,000 (7/1/2006 – 6/30/2007)

Proposed number served – 68 (58 carried in from prior program year)

Staff Recommendation

Subsequent to the submission of this proposal, Fiskars announced the pending closure of its Wausau and Spencer plants which will displace 300 workers. The WDA has requested to add this target group so that services to this group can be started beginning in July. Staff recommend that the addition of Fiskars be approved and that the project be funded in the amount of \$90,000, as requested, for the 6 months ending 12/31/2006. Depending on project enrollments and demonstrated need, additional funding may be requested in August, 2006.

Action – Motion made by Neuenfeldt; second by Diaz-Martinez to add Fiskars as a new target group and to approve \$90,000 in funding as requested and recommended by staff. Motion carried.

Funding Request D - Northwest Wisconsin WDA

Target group – Smart Papers

Proposed number served – 140

Grant Request \$100,000 (thru 6/30/2006)

Staff Recommendation

A start-up grant in the amount of \$25,000 was awarded on 3/17/2006 to begin services to workers being dislocated from Smart Papers. An additional \$100,000 is requested to provide services to this group through 6/30/2006. Staff recommendation is to fund this project in the amount of \$100,000 as requested.

Funding Request E - Northwest Wisconsin WDA

New target groups – none

Continuing target group – Smart Papers

Grant request \$316,250 (7/1/2006 – 12/31/2006)
\$575,000 (7/1/2006 – 6/30/2007)

Proposed number served – 280 (140 carried in from prior program year)

Staff Recommendation

Fund this project serving Smart Papers workers in the amount of \$250,000 for the period 7/1/2006 – 12/31/2006. Depending on the level of enrollments and needs of the workers, additional funds may be requested in August, 2006.

Action – Motion made by Neuenfeldt; second by Diaz-Martinez to approve the two requests for funding - \$100,000 through 6/30/2006 and \$250,000 for the period 7/1/06 – 12/31/06. Motion carried.

Funding Request F - West Central WDA

New target group – none

Continuing target groups – American Tool, Cray, Nelson Fleetguard/Nelson Muffler, Northern Wisconsin Center, Hutchinson Technology, Silicon Graphics, Mason Shoe, Seneca (Chiquita Foods), Honeywell, Kolpak, Lakeside Nursing, UFE, Inc., 3M Eau Claire, AM Tool, Ametec, Donaldson, Leeson, Phillips Plastic, Seneca, USTC (United Semi Conductor Technology Corp.) and Wright Products.

Grant request \$392,595 (7/1/2006 – 12/31/2006)
\$820,570 (7/1/2006 – 6/30/2007)

Proposed number served –202 (202 carried in from prior program year).

Staff Recommendation

This request includes \$27,450 for 16 individuals from 8 companies who were laid off prior to Program Year 2005 so that they may complete their occupational training programs. Staff recommend funding this project in the amount requested, \$392,595, through 12/31/2006. Additional funds for the balance of the program year, if needed, may be requested in August, 2006.

Action – Motion made by Neuenfeldt; second by Diaz-Martinez to approve \$392,595 in funding as requested and as recommended by staff. Motion carried.

Funding Request G - Western Wisconsin WDA

New target groups – Northern Engraving

Continuing target groups – Northern Automotive, Trane, Fleming

Grant request \$ 61,166 (7/1/2006 – 12/31/2006)
\$131,565 (7/1/2006 – 6/30/2007)

Proposed number served – 85 (55 carried in from prior program year)

Staff Recommendation

Fund in the amount of \$61,166, as requested, for the period 7/1/2006 – 12/31/2006. Additional funds, if needed, may be requested in August, 2006.

Action – Motion made by Diaz-Martinez; second by Haney to approve \$61,166 in funding as requested. Motion carried.

Funding Request H - South Central Workforce Development Area

New target groups – Demco Media

Continuing target groups – Cargill, Certegy, CUNA Mutual/Mortgage, Johnson Controls, Lands End, Perry Judd, Rayovac, Sanford North America (Eldon) and State of Wisconsin

Grant Request \$1,019,961 (7/1/2006 – 12/31/2006)
\$1,558,674 (7/1/2006 – 6/30/2007)

Proposed number served – 618 (275 carried in from prior program year)

Staff Recommendation

This request includes two companies (Rayovac and Perry Judd) with layoffs prior to 2005. Funding is requested for these two groups in order that individuals can complete training programs they have begun. Staff recommend funding this project in the amount of \$700,000 for the 6 month period ending 12/31/2006. This is a reduction from the amount requested due to the lack of certainty about how many affected by recent layoffs will enroll in the program. This includes Certegy in particular which accounts for 150 people. Once the number actually seeking services is better known and a need for funds is demonstrated, the WDA may request additional funding in August, 2006.

Action – Motion made by Diaz-Martinez; second by Olver to fund this project in the amount of \$700,000 as recommended by staff. Motion carried.

3. **Advance Transformer Project Update.** Annette Nekola provided an update on the Advance Transformer Dislocated Worker Project. As of the end of April, 41% of surveys had been returned. Fifty-eight surveys were returned as undeliverable. Additional efforts will be made to identify current addresses and more outreach will be conducted to get more to respond to the survey. This will include phone calls to individuals. The goal is an 80% response rate (this is based on the technical college's experience with student follow-up surveys). The draft report of the study will be available mid-September; the final report is due to DWD on September 30.
4. **Other Business. Manufacturing Skills Standards and Certification.** Sheryl Billups (CWI Staff) provided an overview of the Manufacturing Skill Standards Council's skills standards and certification program. The CEO of Harley-Davidson is the chair of the national council. There are currently four certified assessment sites in Wisconsin (Milwaukee Area, Gateway and Moraine Park Technical Colleges and UW-Stout). A web-based curriculum is expected to become available this summer. DWD and the Workforce Strategies Committee are looking at the possibility of supporting expansion within the state. This could include funding projects out of the \$100,000 available to the Workforce Strategies Committee. It may have particular application to dislocated workers both as a method to acquire a portable credential recognized by manufacturing businesses as well as a useful assessment tool to determine present skills and additional training needs.
4. **Adjourn.** The meeting adjourned at 9:34 a.m. The next meeting of the sub-committee will be Wednesday, August 16.