

COUNCIL ON WORKFORCE INVESTMENT

Dislocated Worker Subcommittee August 16, 2006 Madison, Wisconsin

MEETING MINUTES

Members Present: James Haney, Micabil Diaz-Martinez, Mark Reihl, Cullen Werwie for Senator Joe Leibham and Roe Parker for Jayson Chung.

Members Absent: Daniel Andrist, Aaron Olver and Phil Neuenfeldt.

CWI Staff Present: Ron Danowski and Annette Nekola

Others Present: Betty Gregory-Paasch, Bay Area WDB; Dianne Hoffmann, South Central WDB; Cindy Kiesling, AFL-CIO LETC (North Central WDA); Dick Best, Workforce Resource (West Central WDA) and Ed Werstein, WOW WDB.

Key Issues/Discussion

1. **Call to Order and Approval of Minutes.** Chair Haney called the meeting to order at 8:38 a.m., a quorum was present. Members and guests introduced themselves.

Motion was made to accept the minutes of the May 17, 2006 meeting as distributed. Motion made by Reihl, second by Diaz-Martinez. 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 so far in calendar year 2006 is ahead of the same period last year. The size of individual layoff events is smaller though, so the number of workers dislocated is less than the same period last year. Most layoffs – about 70% of the total - continue to occur in the manufacturing sector. The number of layoffs certified for Trade Adjustment Assistance due to foreign competition is down in 2006 so far. The number of workers affected is substantially lower. The subcommittee requested to receive the comparative figures for 2005 and 2006.
- b. **Funding Availability.** Ron Danowski reviewed the level of funding available for Special Response Grants. For the program year beginning 7/1/2006, there was \$3.3 million in new dollars available for grants. Approximately \$700,000 remaining from grants that ended 6/30/2006 is being carried forward. The subcommittee obligated \$2.3 million in grants approved on 5/17/2006. This leaves a balance of \$1.7 million available. The five requests before the subcommittee today total \$628,000. Staff are recommending funding the requests in the amount of \$480,000 which will leave \$1.2 available for the rest of the program year.

c. Funding Requests.

Funding Request A - Waukesha-Ozaukee-Washington WDA

Special Response Grant Request – modification

Current Grant - \$500,000 (7/1/2006 – 12/31/06)

Continuing target groups – Midas, Strong Financial, Triumph Engineering, SignStrut, Array, Russell Corp. (Huffy), OSI Outsourcing Solutions Inc., First Health, Brio Toy Inc., Gehl Corp., Regal Ware, Kraft, Quebecor World

New target groups – Vollrath Corporation, Parker Hannifin, Cardinal Health, Amity/Rolf's and Salon Systems.

Proposed number served – 330

Staff Recommendation - After grant applications had been distributed, the WDA requested the addition of Salon Systems of Menomonee Falls, a wholesaler of products for the salon and cosmetology business. The business is projected to close in October and will affect 55 workers.

Staff recommend the addition of five new target groups (including Salon Systems), as requested. No additional is funding requested.

Action – Motion to add five new target groups as requested made by Diaz-Martinez; second by Reihl. Motion carried.

Funding Request B - Bay Area WDA

Special Response Grant Request – new application

Grant request - \$40,357 (7/1/2006 – 12/31/06)

Target groups – Pride Manufacturing, Emerson Motors

Proposed number served – 28

Staff Recommendation - Recommend funding in the amount requested, \$40,357. This funding is to assist workers from two target groups to complete the clinical portion of nursing training.

Action – Motion to approve \$40,357 in funding as recommended by staff made by Reihl; second by Diaz-Martinez. Motion carried.

Funding Request C - North Central Wisconsin WDA

Special Response Grant Request – modification

Current Grant - \$90,000 (7/1/2006 – 12/31/2006)

Grant request - additional \$89,000

Continuing target groups – Petersen Healthcare, Stora Enso, Wausau Papers, KMART-Rhineland, Marshfield Door Systems, Domtar, KMART–Wausau, Wausau Insurance/Liberty Mutual, Fiskars – Spencer & Wausau plants

New target groups – Wausau Benefits, Wilson-Hurd, Kerry Ingredients

Proposed number served – 92

Staff Recommendation - Recommend additional funding in the amount of \$89,000 and the addition of three new target groups. Most of these funds will be used to support class-sized training projects in welding and trucking.

Action – Motion to approve \$89,000 in funding and the addition of three new target groups as recommended by staff made by Haney; second by Reihl. Motion carried.

Funding Request D - West Central Wisconsin WDA

Special Response Grant Request – modification

Current Grant - \$392,595 (7/1/2006 – 12/31/2006)
Grant request - additional \$498,670

Continuing target groups – American Tool, Cray, Nelsons 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.), Wright Products.

New target groups – Lorman Educational Services, National Business Alliance and Farmers Crop Alliance.

Proposed number served –262

Staff Recommendation - Additional funds in the amount of \$498,670 are requested to retrain dislocated workers (primarily from Fleetguard/Nelson Muffler in Neillsville) for new jobs at OEM fabricators. Staff recommend funding this project in the amount of \$350,000. Funds will be used for classroom and on-the-job training for jobs at a new OEM facility in Neillsville.

The WDA is also requesting to add three new target groups for which layoffs were announced after the grant deadline. These are Lorman Educational Services (70 affected), National Business Alliance and Farmers Crop Alliance (28 affected).

Discussion – Dick Best of Workforce Resource reported that GSI will be opening a new call center at the old American Girl location; the new target groups being added are part of a prospective pool of workers needed to fill 200-300 job openings.

Best stated that OEM plans to break ground on its new plant in Neillsville by mid-September and expects to be open in January 2007. OEM is a supplier to industry in Milwaukee and has the potential to supply materials currently produced in Germany. Reihl asked about expected wage levels of jobs at OEM. New jobs at OEM are expected to include a number of machinists and welders making about \$15.00 per hour.

Action – Motion to approve in \$350,000 in funding as recommended by staff made by Reihl; second by Diaz-Martinez. Motion carried.

Funding Request E - South Central WDA

Special Response Grant Request – modification

Current Grant - \$700,000 (7/1/2006 – 12/31/2006)

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

New target groups – LA Darling, Morning Star Foods, Royster Clark and SITEL

Proposed number served – 643 (adding 133)

Staff Recommendation - Add four new target groups as requested. No additional funding requested.

Action – Motion to approve the addition of four new target groups as recommended by staff made by Reihl; second by Diaz-Martinez. Motion carried.

3. **Program Year 2005 Grant Performance.** Staff presented a summary of Special Response Grant Performance for the program year that ended 6/30/2006. Annette Nekola noted that these results are preliminary and that once final year end reporting is complete, she will update the report with final figures. The results reported include the number enrolled in Special Response Grants which was 2331 or 86% of the number planned. The number exited from grants was 991 or 52% of all enrollments. It was noted that dislocated workers are enrolled in the grants throughout the year, so it's expected that most will not complete services and find jobs within a grant year. Nearly half (46%) received training services. Eighty-five percent were employed when they left the program. Overall, the WDAs spent approximately 90% of the funds allocated to the projects. The cost per participant was \$1,944 which is similar to past years. As requested by the subcommittee, this report will be distributed quarterly to the subcommittee and the WDAs. Explanatory notes will be added.
4. **Adjourn.** There being no further business, the meeting adjourned at 9:24 a.m. The next meeting of the sub-committee will be Wednesday, November 15 at a time to be determined.