

COUNCIL ON WORKFORCE INVESTMENT

**Dislocated Worker Sub-Committee
September 15, 2005
Madison, Wisconsin**

MEETING MINUTES

Members Present: James Haney, Phil Neuenfeldt, Mark Reihl, Jayson Chung and Greg Gasper (for Senator Joe Leibham)

Members Absent: Micabil Diaz and Aaron Olver

CWI Staff Present: Ron Danowski and Annette Nekola

Others Present: Ellen Leuck, Southwest Wisconsin Technical College, Leslie Rohloff, WOW WDB; Al Hesse, Fox Valley WDB; Beth Sullivan and Bob Briggs, Workforce Connections; Dale Hopkins and Pat Schramm, South Central WDB.

Key Issues/Discussion

1. **Call to Order.** Chair Haney called the meeting to order at 10:34 a.m.
2. **Approval of Minutes.** Motion was made to accept the minutes of the May 23, 2005 meeting as distributed. Motion Neuenfeldt, second Reihl. Motion carried.
3. **Special Response Funding Applications.** Ron Danowski

- a. Funding availability

Included in the meeting packet are Tips for Analyzing a Special Response Funding Application. This is to provide some guidance on how to interpret some of the data now provided in the grant applications.

The format of the summary of Special Response Funding Requests has been modified to clarify that some funding is for continuing target groups and some requests are for new companies.

The availability of Special Response funding was reviewed. The total available is about \$5.2 million. This includes \$3.9 million in new funds allocated to the state for the program year starting July 1 and an estimated \$1.3 million unspent from the prior year. The current balance remaining to obligate is \$3.2 million. Approximately \$406,000 in requests are before the subcommittee today.

New National Emergency Grants (NEGs) awarded by DOL on June 30 included \$1.3 million for the Future Fields project to serve farmers and other agricultural workers, \$353,000 to

serve workers displaced from Alliant Tech Systems in Janesville and \$211,000 in additional funds awarded for the Bay Area multi-company project. These awards reduced the Special Response Grant obligations by \$415,000. An additional new project is a \$75,000 Base Realignment and Closing (BRAC) grant to plan for the possible closure of the 440th Airlift Wing at the General Mitchell Air Reserve Station in Milwaukee. These funds will be used to establish and staff a committee to plan for the workforce development needs of about 300 civilians laid off at the base and an additional 300 who may be indirectly impacted by the base closure, and the economic development needs of the community.

Over \$190 million in NEG funds have been committed to the Gulf area for Hurricane Katrina related efforts that include assistance to dislocated workers and temporary jobs related to rebuilding public infrastructure. This means NEG funds may not be as readily available as in the past to other states for the rest of the program year for any new projects. The existing NEG in Milwaukee maybe revised to assist evacuees that have moved into southeast Wisconsin. Needs relating to the recent tornado damage in the Stoughton area are being monitored. So far, none have been identified.

There is a new format for presenting staff recommendations for Special Response Grant Applications. The change from a narrative to a summary format is intended to make the material more readable. The recommendations now also include a performance analysis of expenditures and program outcomes.

The Summary of Proposed Projects was reviewed. The high cost per entered employment (over \$11,000) for the South Central project was noted. Staff explained that this is due to having a large number of individuals receiving training that will not yet have employment by the time the current year grant ends.

b. Funding requests

The sub-committee reviewed and made recommendations on funding requests as follows.

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

This is a continuing grant, the request is to add a target group with no increase in funding.

Current grant - \$650,000

Target groups – Beatrice Cheese, Family Health Systems, Velvac, Pinah's, Sax Arts & Crafts, West Bend Co., ProVantage, and 70 other companies

Number planned – 1075

Changes proposed – add a target group, no additional funds requested

New target group – Zero Zone

Proposed number served – 1113 (adding 38)

Motion

Motion to approve the request made by Neuenfeldt; second by Reihl. Motion carried.

Funding Request B: Fox Valley Workforce Development Area

This is a continuing grant. Request is for new target groups and additional funds. The Fox Valley area has recently experienced a number of large layoffs. The good performance in the dislocated worker program as well as the high rate of expenditure of local funds were noted in support of this request.

Current grant - \$200,000

Target groups – Norwood Promotional Products, SJP Corporation, Leach Company

Number planned – 167

Changes proposed – add \$134,717

New target groups – Riverside Paper, Advanced Data-Comm, Air Wisconsin, Emjay Corporation, Rippin' Good (Bremner, Inc.), Westra Construction

Proposed number served – 167

Motion

Motion to approve the request made by Neuenfeldt; second by Reihl. Motion carried.

Funding Request C: Western Workforce Development Area

This is a continuing grant. Funds are requested to respond to new layoffs at a previously approved target group. This company, Trane, is also certified for the Trade Adjustment Act (TAA) which will provide training for these individuals; the Special Response Grant will provide supportive services and job search assistance.

Current grant - \$75,000

Target groups – Northern Automotive, Rayovac, LaCrosse Footwear, Brenner Tank, Invensys (Best Power), Trane, Fleming, Isola Laminates

Number served – 101

Changes proposed - add \$43,483

New target groups – none; Trane was approved in a prior grant, additional funds are requested to provide services to new layoffs at this company.

Proposed number served – 215 (adding 114)

Motion

Motion to approve the request made by Neuenfeldt; second by Reihl. Motion carried.

Funding Request D: South Central Workforce Development Area

This is a continuing grant. The request is to add funds for a new target group and to provide training to previously approved groups. An addendum to also add Cargill Malting of Jefferson (with no additional funds) was distributed. It was explained that the apparent high cost per entered employment will level off by the end of the grant as individuals complete training and take jobs.

Current grant - \$300,000

Target groups – Admanco, Applied Molded Products, APV Crepaco, Arimon, Big Joe Manufacturing, and 45 other companies

Number planned – 325

Changes proposed - add \$227,733

New target groups – Johnson Controls and Cargill Corporation

Proposed number served – 345 (adding 20)

Motion

Motion to approve the request and include Cargill as a target group made by Reihl; second by Neuenfeldt. Motion carried.

c. Definition of target groups.

Issue: Some companies experience repeated layoffs over a long period of time. Currently, local areas are allowed to add these additional layoffs to an existing Special Response Grant if the target group was previously approved. With this practice there is the potential to add significant numbers of individuals and commit significant resources without coming back to the Dislocated Worker sub-committee for review and approval. Staff presented 3 options for the sub-committee to consider to address these situations. These include: 1) numerical threshold – set a threshold for the number of individuals laid off, that if exceeded within a certain period of time, would require a new application and approval by the committee; 2) funding threshold – set a threshold for the amount of funding needed for a target group, that if exceeded within a certain period of time, would require a new application or 3) status quo – once a target group is approved for funding allow grantees to enroll additional individuals as needed and report to the sub-committee after the fact.

Staff recommended Option 2 with a threshold of \$25,000. This option would take need into account and is consistent with process for \$25,000 start - up grants.

Following comments by local area staff and discussion by members, the subcommittee voted to recommend Option 3 with the addition of a time limit during which new workers could be added to an approved group.

Motion

Motion made by Neuenfeldt; second by Reihl to adopt a variation of Option 3 that adds a time limit during which new workers could be added to an approved group. Layoffs from previous approved companies could be added to an existing Special Response grant during the program year in which it was approved. Layoffs occurring after the close of a program year in which a new target group was approved would require a new application and approval by the sub-committee. Staff will write up and distribute this new requirement which will be effective with applications submitted for consideration in March, 2006.

4. Advance Transformer Proposal

The Southwest Wisconsin Technical College is proposing to conduct a follow-up study of workers displaced by the closure of Advance Transformer in Platteville in 1996. They are requesting \$9,950 from DWD to help fund this study. The proposal was referred to the Dislocated Worker Sub-committee for discussion by Sue Gleason, DWD Staff Liaison to the Council on Workforce Investment (CWI).

The proposed study addresses the impacts of training on dislocated workers which is an area of interest to the subcommittee and fits in with the goal of effective use of resources to respond to dislocations. The project cannot be funded with Special Response which may only be used for direct services to participants.

Ellen Lueck of Southwest Wisconsin Technical College provided some additional information about the project: it would be conducted in partnership with Job Service and the WDB; new tools are available through the technical college to locate and do follow-up with former students and the study would look at individuals who received no training or up to 4 years training. The study would be designed so that all partners would get information useful to their particular program. Four general areas of concern were discussed:

- 1) Who is the intended audience that will be using the results of the evaluation and what will the study results be used for?
- 2) How will data about former project participants be collected and how will their personal information be kept confidential and protected?
- 3) Are there financial contributions to the project from other sources? If so, approximately how much from what sources and what share of the total cost is being requested from DWD?
- 4) What is the applicability or replicability of the study to other parts of the state of other groups of dislocated workers?

Dislocated worker program staff will work with Southwest Tech to address these concerns. The proposal will be submitted, along with the concerns and how they will be addressed, to the CWI's Executive Committee for action at their November 4th meeting.

Motion

Motion by Neuenfeldt; second by Haney to refer the proposal to the CWI's Executive Committee for consideration for funding under available Workforce Investment Act funds. Motion carried. If funded, the Dislocated Worker Sub-committee would like to be kept apprised of the study's progress and monitor it.

5. Adjourn

The next meeting of the Dislocated Worker Sub-committee is scheduled for Wednesday, November 16. Special Response Grant funding through June, 2006 will be on the agenda. Staff will poll members to determine the meeting time.

Meeting adjourned at 11:37 a.m.