

COUNCIL ON WORKFORCE INVESTMENT

Dislocated Worker Subcommittee November 15, 2006 Madison, Wisconsin

MEETING MINUTES

Members Present: Phil Neuenfeldt, Micabil Diaz-Martinez and Jayson Chung

Members Absent: James Haney, Mark Reihl, Daniel Andrist and Senator Joe Leibham

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

Others Present: Betty Gregory-Paasch, Bay Area WDB; Pat Schramm and Dianne Hoffmann, South Central WDB; Cindy Kiesling, AFL-CIO LETC (North Central WDA); Jim Lindbo, Workforce Resource (West Central WDA); Jerry Hanoski, Workforce Connections (Western WDA); Cheryl Welch, Fox Valley WDB; Ed Werstein, WOW WDB and Ellen Leuck, Karen Knox and Karen Campbell, Southwest Wisconsin Technical College

Key Issues/Discussion

- 1. Call to Order and Approval of Minutes.** Chair Neuenfeldt called the meeting to order at 1:00 p.m., no quorum was present. Members and guests introduced themselves.

Since no quorum was present, consideration of the minutes of the meeting of August 16, 2006 is deferred to the next meeting scheduled for March 14, 2007. The Subcommittee is advisory to the DWD Secretary, so even without a quorum present, they may proceed to review grants and make funding recommendations.

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 99 affecting 8300 individuals. This is somewhat lower than the same period last year when there were 105 events affecting 11,000. Most layoffs continue to occur in the manufacturing sector. Auto parts and wood products are two industries being closely watched for downturns. The manufactured wood products industry (windows and doors) in Wisconsin is large and is being affected by the downturns in housing.
- 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 \$4 million available. This includes was \$3.3 million in new dollars available for grants for the current program year and approximately \$700,000 remaining from grants that ended 6/30/2006 that was carried forward. In May, about \$2.3 million was obligated to grants and in August, \$480,000 was obligated, leaving a balance of \$1,264,319 to address dislocations through June 30, 2007. A total of \$3,079,032 in funding requests were submitted by seven Workforce Development Areas. Staff is recommending that all remaining funds be allocated. Two methods were used to recommend funding the

current requests. First, staff recommend that the three smaller requests of approximately \$100,000 or less be funded at the level requested. Recommended funding amounts for the four other grant requests were determined by dividing the remaining balance in proportion to the amount of the request. In order to respond to any dislocations that may occur between now and July 1, 2007, funds may be recaptured from under spent grants in February based on expenditures through 12/31/2006 and DWD will apply to DOL for National Emergency Grants for larger, eligible dislocations. Certifications for Trade Adjustment Assistance will continue to be actively pursued.

- c. **Quarterly Grant Performance Summary.** Staff presented a summary of Special Response Grant Performance for the quarter ending 9/30/2006. The results reported include the number enrolled in Special Response Grants which was 1203 or 90% of the number planned for the period. Forty-three percent received training services. Ninety percent were employed when they left the program. Overall, the WDAs spent approximately 43% of the funds that have been allotted to the projects.
- d. **Funding Requests.**

Funding Request A - Waukesha-Ozaukee-Washington WDA

Special Response Grant Request – modification to current grant

Current Grant - \$500,000 (7/1/2006 – 12/31/06)
Grant Request – additional \$450,000

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

New target groups – Simplicity and Journal Community Publishing Group

Proposed number served – 465

Staff Recommendation - Staff recommend the addition of the two new target groups and \$159,435 in additional funds to bring total PY2006 funding to \$659,435.

Action – Motion to add target groups and additional funding as recommended by staff made by Diaz-Martinez; second by Chung. Motion carried.

Funding Request B - Fox Valley Workforce Development Area

Special Response Grant Request – modification to current grant

Current Grant - \$294,011 (7/1/2006 – 12/31/06)
Grant request – additional \$758,801

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

New target groups – Alferi Seasonings and Sauces, Chilton Products, Inc., Rolling Meadows and Tecumseh (updated)

Proposed number served – 556

Staff Recommendation – Add new target groups as requested and \$268,878 is recommended. This will bring the total PY2006 grant to \$562,888. A National Emergency Grant is being pursued to serve the Tecumseh workers in conjunction with the Trade Adjustment Assistance Program and Chilton Products.

Action - Motion to add target groups and additional funding as recommended by staff made by Chung; second by Diaz-Martinez. Motion carried.

Funding Request C - Bay Area Workforce Development Area

Special Response Grant Request – modification to current grant

Current Grant - \$40,357 (7/1/2006 – 12/31/06)
Grant request – additional \$68,468

Target groups – Pride Manufacturing, Emerson Motors

New target group – none

Proposed number served – 28

Staff Recommendation – Additional funding in the amount of \$68,468, as requested, is recommended. This will bring the total funding for this grant to \$108,825.

Action - Motion to add target groups and additional funding as recommended by staff made by Chung; second by Diaz-Martinez. Motion carried.

Funding Request D - North Central Wisconsin Workforce Development Area

Special Response Grant Request – modification to current grant

Current Grant - \$179,000 (7/1/2006 – 12/31/2006)
Grant request - additional \$101,472

Continuing target groups – Petersen HC, Stora Enso, Wausau Papers, KMART-Rhineland, Marshfield Door Systems, Domtar, KMART–Wausau, WIC/Liberty Mutual, Fiskars–Spencer & Wausau, Wausau Benefits, Wilson-Hurd and Kerry Ingredients

New target groups – Hurd Millwork

Proposed number served –117

Staff Recommendation - Fund in the amount of \$101,472 as requested to bring total funding of this grant to \$280,472. National Emergency Grant funding for Hurd Millwork and Fiskars is being explored.

Action - Motion to add target groups and additional funding as recommended by staff made by Chung; second by Diaz-Martinez. Motion carried.

Funding Request E - West Central Wisconsin Workforce Development Area

Special Response Grant Request – modification to current grant

Current Grant - \$742,595 (7/1/2006 – 12/31/2006)
Grant request - additional \$758,347

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.) and Wright Products.

New target group – none

Proposed number served –361

Staff Recommendation - Recommend additional funding of \$268,679, for a total grant of \$1,011,274.

Discussion – Workforce Resource staff provided an update on the progress of the OEM facility and worker training to be provided by Special Response funds. The first group of 13 has started training. A machine that will eventually be used at the new Neillsville facility has been set up for training purposes.

Action - Motion to add target groups and additional funding as recommended by staff made by Chung; second by Diaz-Martinez. Motion carried.

Funding Request F - Western Wisconsin Workforce Development Area

Special Response Grant Request – modification to current grant

Current Grant - \$61,167 (7/1/2006 – 12/31/2006)
Grant request - additional \$98,535

Continuing target groups – Northern Automotive, Trane, Fleming and Northern Engraving

New target group – Sparta Manufacturing

Proposed number served –95

Staff Recommendation - Recommend additional funding in the amount of \$98,535 as requested for a total of \$159,701 in PY2006 funds.

Action - Motion to add target groups and additional funding as recommended by staff made by Diaz-Martinez; second by Chung. Motion carried.

Funding Request G - South Central Workforce Development Area

Special Response Grant Request – modification to current grant

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

Grant request - \$843,409

Continuing target groups – Cargill, Certegy, CUNA Mutual/Mortgage, Johnson Controls, Lands End, Perry Judd, Rayovac, Sanford North America (Eldon), State of Wisconsin, Demco Media, LA Darling, Morning Star Foods, Royster Clark, SITEL

New target groups – none

Proposed number served – 617

Staff Recommendation - Additional funding of \$298,852 is recommended which will bring the total PY2006 grant in this WDA to \$998,852.

Discussion – South Central WDB staff noted the anticipated closure of DCI Cheese in Mayville in March, 2007 and that this target group may need to be added in the future. Pat Schramm stated that less than requested funding will result in staff reductions in the dislocated worker program in this WDA.

Action - Motion to add target groups and additional funding as recommended by staff made by Diaz-Martinez; second by Chung. Motion carried.

- 3. Advance Transformer Dislocated Worker Study** – In November, 2005 the CWI awarded \$10,000 to the Southwest Wisconsin Technical College to conduct a follow-up study of the almost 700 workers dislocated by the 1996 closure of the Advance Transformer plant in Platteville. A preliminary draft of the study was sent to the Subcommittee. A revised draft now available will also be sent to Subcommittee members. Ellen Leucks provided a summary of the study and preliminary findings. There was a great willingness by the workers to share their dislocation experience. This was evident from the 58% response rate to the survey and the numerous comments provided. Preliminary results of the study include the following. Education and training had a positive impact on future earnings. This was especially true of 1 or more years of further education. Respondents indicated they took advantage of a wide array of services offered by the dislocated worker program and that, with the exception of assistance with health insurance, there were not services needed that were not offered. Services cited as being the most helpful included tuition and books, reimbursement for mileage to attend training or to look for work, assistance with developing resumes and the income supports provided by Unemployment Insurance and Trade Readjustment Assistance. Following discussion it was agreed that more analysis should be done with the data collected. Organizations including the Center on Education and Work and the Center on Wisconsin Strategies will be contacted to see if they might be able to assist with such an effort.
- 4. Adjourn.** There being no further business, the meeting adjourned at 2:25 p.m. The next meeting of the Subcommittee will be Wednesday, March 14, 2007 at a time to be determined.