

Southwest Wisconsin Workforce Development Board Meeting

September 9, 2009

Meeting Minutes

The Southwest Wisconsin Workforce Development Board met on Wednesday, September 10, 2009, at the Janesville Country Club in Janesville. Attendance was as follows:

Members Present:

Mr. Scott Stocker, Chairperson	Ms. Suzanne Lee
Ms. Amy Banicki	Mr. Terry Martin
Mr. Charles Elliott	Mr. James Otterstein
Mr. James Finley	Mr. Bruce Palzkill
Mr. Rich Gruber	Mr. Steve Scaccia
Ms. Cindy Harrington	Ms. Shari Schaff
Dr. Karen Knox	

Members Excused:

Dr. Gary Albrecht	Ms. Ann Lutz
Mr. Art Carter	Mr. Troy Marx
Ms. Carmen Granados	Mr. Walter Orzechowski
Mr. Tom Hogan	Ms. Regina Prude
Ms. Ann Hore	Mr. Tom Schraeder
Mr. Randy Jacquet	Mr. Frank Thomas
Ms. Jennifer James-Baker	Ms. Margery Tibbetts
Ms. Stacy Kammes	Mr. Geoff Upperton
Mr. Neil Kirschbaum	Mr. Larry Ward
Mr. Tom Larsen	

Staff Present:

Dr. Robert Borremans	Ms. Mary Fanning-Penny
Ms. Amy Charles	Ms. Kathy Kessler
Mr. Ron Copernoll	Ms. Annette Meudt

Other Guests: Mr. Ivan Collins

1. Welcome; Call to Order; Introduction of New Board Members and Guests

Mr. Stocker welcomed everyone and called the meeting to order at 4:15 p.m. Mr. Stocker introduced and welcomed Mr. Collins who will be the union representative replacing retiring Board member Mr. Geoff Upperton.

2. Approval of Minutes of SWWDB Meeting

Minutes of the SWWDB meeting held on June 10, 2009, were presented to the Board for approval. Motion by Mr. Charles Elliott, second by Mr. Rich Gruber to approve the minutes of the SWWDB meeting held on June 10, 2009. **Motion carried unanimously.**

3. Financial Report

Motion by Mr. Gruber, second by Mr. Elliott to approve the financial report. **Motion carried unanimously.**

4. Recognition of Retiring Board Member

In recognition of over 25 years of service to employment and training programs in Wisconsin and the Southwest Wisconsin region by Mr. Upperton, a plaque and letter will be mailed to him as he was unable to attend the Board Meeting.

5. Summer Youth Employment Program

The American Recovery and Reinvestment Act (ARRA) Summer Youth Employment Program employed 146 young people ages 16 to 24 across the six counties in southwest Wisconsin. The participants performed in various job-related experiences and employment opportunities intended to match their future job aspirations. Twenty-seven (27) youth were employed in Grant County, 8 in Iowa County, 6 in Lafayette County, 7 in Richland County, 2 in Green County 2 and 100 in Rock County. Both private and public sector employers assisted in the program.

Mr. Ron Coppernoll explained that there are 3 main components of the Summer Youth Program. The first was the Energy Advocacy Team. Energy Advocacy participants attended a three-day training session at Wisconsin Energy Conservation Corporation (WECC) in Madison, to learn how to perform the initial energy audits and to proper use of the testing equipment. This group performed more audits (50) than any other team in the state of Wisconsin and is ranked as the #1 team in the state. The program ends September 18, 2009.

Mr. Coppernoll introduced Jerry Thomas, Sharome Crawford, Nate Castro and Supervisor, Luis Rivera of the Energy Advocacy Team. They explained that the energy audit takes 45 minutes to an hour and is meant to educate the home owner on ways to conserve energy and lower utility bills. Each of the 50, low income homes in the Beloit area that the team visited was supplied with an energy efficient compact fluorescent bulb, low-flow shower head and aerator faucet head; all provided free of charge by the grant. The team's goal was to educate homeowners on how to save \$100 annually on their energy bills.

Sharome Crawford ended their presentation with a rap that he had written about what he learned as a team member. The WECC was impressed with his rap adaptation and placed it on You Tube.

The second component was the Invasive Species program conducted with the DNR. The five (5) inspectors provided boaters information about Wisconsin's Invasive Species Act and collected information regarding boater habits. This year's was especially important because it is the last year for optional compliance. Next year, boaters that do not adhere to the law will be ticketed.

The third component was the general work experience activities for youth. SWWDB coordinated worksite activities related to the following occupations: retail, construction, weatherization, clerical, tourism, personal care and green job related fields.

Mr. Coppernoll reported that of the 146 summer youth involved in the work experience component, 33 quit or were fired (most of those were younger in-school youth ages 16-18). He added that 57% of the participating employers expressed interest in extending the program with several employers actually hiring the person for unsubsidized employment using their own funding. Mr. Coppernoll added that nationally \$2,000 was spent per participant of which 50% went to wages and the remaining 50% went to programming with the average hourly wage of \$9.00/hr. He indicated that SWWDB paid the minimum wage of 7.25/hr, plus a 1.00/hr bonus if the participant completed the program and each person earned \$2,000 in wages.

Mr. Coppernoll stated that other agencies that were contacted to help identify the population to be served were high school counselors, special education teachers, county social services, juvenile

correction officers and veteran service officers. Young people eligible for the program needed to be from low income homes or be at or below poverty level with barriers such as disabilities, those pregnant or parenting, juvenile offenders, homeless, academically deficient or school drop outs. He added that the process for admission was the submission of an application, completion of JobFit test, and completion of the RAT test to identify academic skills deficiencies. Participants attended a two-day employability workshop where rules and expectations were specifically spelled out, and pre- and post-employability evaluations were completed on each participant.

Mr. Coppernoll attributes the success of this program to “building relationships” with CESA 2 and CESA 3 who helped to identify job sites, Community Action who helped to identify and certify participants, and local employers who served as the work sites.

Dr. Borremans added that Mr. Coppernoll and Mr. Eric Guptail were directly involved in the delivery of services and instrumental in the success of the program. He stated that he initially had reservations about the program based on the short implementation timeframe and the amount of work required to establish the work experience opportunities. This program was not like previous summer youth employment programs where young people were just placed on a job. This program tried to give youth a career pathway-type learning experience to help them gain skills and information related to future career interests. Board members agreed that it was a job well done and thanked all of those involved.

6. Presentation by Johnson Bank and Johnson Insurance

Mr. Elliott explained that he specializes in business insurance, but handles everything for his clients including health insurance programs. He said that he feels that there is a positive trend in health insurance for employer-sponsored wellness activities. He is seeing clients embracing the wellness concept and reaping the benefits of lower deductibles and copays.

Mr. Elliott added that employers who are using a punitive/reward approach with their employees are realizing the greatest savings. This approach encourages employees to become better educated about their health and encourages preventive health care and life style changes. Through this type of program, employers are seeing lower deductibles and co-pays. However, employees who do not choose to make changes in their habits will continue to experience the higher deductible costs.

When asked what he thought about higher deductible plans, by Dr. Knox, Mr. Elliott replied that he has seen them be successful in the right environment. But, in his experience this type of program is better suited to the “professional” jobs, such as attorneys, CPA’s, etc., who can better afford to put money aside to pay a high deductible when it occurs.

Mr. Stocker added a thank you to Mr. Elliott for being the sponsor for the board meeting and dinner.

7. Unfinished Business

None

8. Consent Agenda

A. Confirmation of Eligible Training Provider Applications

Ad Hoc ETP committee approved the programs listed on enclosure 4.

Dr. Knox stated that it is difficult to understand the costs and to be able to compare the numbers for the listed programs. She expressed concern about approving the Medical Coding and Billing

program application of Penn Foster, Inc. because of the low completion placement rates.

Dr. Borremans said that applicant's are providing incomplete and vague information that makes it difficult to provide good information for the committee to consider when making a decision. Mr. Palzkill added that what the institute provides is across the board and the committee is often making assumptions about the ability of providers to conduct quality training. In the future, incomplete applications will be returned and information presented to the board will be more reliable.

Mr. Finley asked whether it matters because it is his understanding that if SWWDB were to disapprove a program, the organization could apply to another WDA and if that WDA approves the program it would be placed on the State approved training list. Dr. Borremans said that is correct, however, SWWDB always should disapprove training it believes are not quality programs. Mr. Gruber added that program approval should be subject to audit and verification of job placements.

Motion by Dr. Knox, second by Mr. Gruber to disapprove the Medical Coding and Billing program application of Penn Foster, Inc. **Motion carried unanimously.**

B. Approval of FY 2009-10 Budget Modifications

The following modification will increase the SWWDB total 2009-10 budget from \$7,378,553 to \$9,204,076:

- ❑ \$67,500 – Statewide Opportunity Grant
- ❑ \$1,480,853 – Additional National Emergency Grant (NEG) Funds to assist auto-related dislocated workers
- ❑ \$14,883 – American Recovery and Reinvestment Act (ARRA) for the Energy Advocate Grant
- ❑ \$ 8,000 – American Recovery and Reinvestment Act (ARRA) for the Invasive Species Grant
- ❑ \$146,348 – State Special Response (SSR) Funds to serve laid off workers from Woodbridge, Rockwell Industries and Chromalox
- ❑ \$107,939 – WIRED Contract to deliver the Manufacturing Skill Standards Certification (MSSC) Program

Motion by Mr. Gruber, second by Mr. Elliott to approve the FY 2009-10 budget modifications.
Motion carried unanimously.

9. Committee Reports

None.

10. New Business

A. Opportunity Grants

Dr. Borremans stated that the Opportunity Grant Program is a new program for low income workers. A total of \$1.5 million was approved in the State budget with \$1.2 million allocated to pay tuition and fees and an addition \$300,000 to provide support services. The goal of the program is to help low-income, employed workers (those with at least a high school diploma or equivalent) enroll in short-term training to improve their job skills. Only training at one of the technical colleges is eligible under the Opportunity Grants.

Guidelines for administration of the program have just been released. It is unfortunate this did not occur sooner because the technical colleges began their Fall Semester two weeks ago. It will be difficult to put people into training until the Winter Semester which will begin in January 2010. He added that the workforce boards have been designated as the administrative entity for the program. Each area has received an allocation based on 2000 Census data. SWWDB will receive \$67,500 in funding. All funds must be used for training and support and the workforce boards do not received any reimbursement for administering the program.

B. DOL ARRA and Wisconsin Strategic Workforce Training Initiatives

Dr. Borremans stated that there has been a change in the way funds are allocated to workforce development areas. In the past, funds were allocated to local areas using a prorated formula basis and there was an effort to support the basic infrastructure. Now, more and more often, both federal and state agencies are using competitive proposals, targeted to special interest initiatives, as the way to distribute funds. And, these proposals seem to be due at the same time; for example, SWWDB currently has four (4) grants due in the next 4-6 weeks.

Dr. Borremans said that grant writing also requires developing concepts, coordinating activities, and leveraging funds between multiple agencies. It is a very complex and time intensive process. Dr. Borremans added that several of the grant opportunities are for auto impacted communities, therefore, he believes that SWWDB must make every effort to go after these grants.

C. WIRED Update

Dr. Borremans advised that the WIRED Leadership Caucus meeting is scheduled for Thursday, September 10, 2009. He noted that to date only \$2.6 million of the \$5 million has been designated leaving \$2.4 million unallocated. DOL has said that it will not approve any extension of WIRED grants beyond June 30, 2010. That means that all funds must be expended by that date.

Dr. Borremans said that DOL is currently conducting an audit of the project. He has had an opportunity to discuss the board's concerns regarding the WIRED project/activities with DOL staff.

D. Needs- Related Payments (E-422) Policy

Dr. Borremans explained that one of the requirements under ARRA is that local workforce boards have a Needs-Related Payments Policy. Needs-related payments are intended to help anyone who is involved in education, has expended all available funding and needs additional resources to successfully complete training. Dr. Borremans noted that while SWWDB needs to approve a policy, there is insufficient funds available at the current time to implement a needs-related payment system.

Motion by Mr. Gruber, second by Mr. Finley to approve the Needs-Related Payments Policy (E-422). **Motion carried unanimously.**

E. Workforce Challenges and Opportunities

Ms. Charles referred to the WIA caseload snapshot to discuss program enrollment. She highlighted that the dislocated worker program (DW) has had a huge increase in enrollment, nearly double in the last 4 years. The National Emergency Grant (NEG) program, targeted to the auto industry, has approximately 1,020 participants and additional 53 are enrolled in the Special Rapid Response (SRR) program at this time. Ms. Charles said that approximately 700 participants, who are enrolled in the Trade Adjustment Act (TAA), are co-enrolled in the NEG or DW programs. She added that at the end of August the number of unemployed receiving unemployment

compensation in southwest Wisconsin was over 13,000. In the current year, thus far, SWWDB and its partners have served 2,739 as compared to last year's total of 2,992. This is just a fraction of those needing assistance when you consider that the 13,000 people receiving unemployment compensation could be eligible for services.

Ms. Charles explained that 71% of the DW ARRA funds and 63% of the regular DW funds have been expended or obligated for people who are enrolled in the program. 50% of the NEG funding total has been obligated. This leaves only \$130,000 left for training for the remainder of this program year.

Ms. Charles pointed out that there are 25-75 new clients per week being seen at the Janesville Job Center. There are currently 100-150 clients waiting to be approved for enrollment. Ms Charles said that the work load for certified case managers is hovering around 200, which is an extremely full caseload.

Ms. Charles suggested that SWWDB take several steps to address the problem:

1. Work with the DWD to secure an extension of the NEG grant through June 2011
2. Work with the DWD to obtain a statewide NEG grant that will serve dislocated workers from new organizations
3. Continue to apply for SRR funding from DWD as new plant closures occur
4. Impose a freeze on all new enrollments into WIA funded training and place eligible clients on a waiting list

The Trade Adjustment Act (TAA) continues to have funding available so enrollment of dislocated workers in training is not closed for everyone. Those who come from companies eligible for TAA assistance still need to be served.

Dr. Borremans said that the problem is caused by supplemental funding (i.e. NEG, SRR, ARRA, etc.), that will not be available after June 30, 2010, "pushing" people into training and creating the high number of participants served this year. However, many of the training programs that clients have enrolled in are two-year programs that extend beyond the end date of the supplemental funding. The result is there will be a large number of continuing clients needing training funds next year and only the regular WIA allocation funds to pay these costs.

He said that SWWDB needs to look ahead and consider the consequences. The top priority should be to ensure that adequate funding is available so currently enrolled clients can complete training in a reasonable time and not be forced into an "inactive status" because resources are not available. He said that he has brought the issue to the attention of several area legislators and even testified before the Assembly's Workforce Development Committee explaining the problem. He further noted that unlike other States Wisconsin relies solely on federal resources to pay for workforce programs and services.

Mr. Palzkill said that Rock County is in a unique situation and that SWWDB is one of the few WDBs that have instituted a waiting list. The emphasis has been to keep enrolling clients will and serving them with available resources. He added that the obvious choice is to begin a waiting list immediately.

The board members discussed the situation and expressed support for prioritizing available

funding for currently enrolled students. Generally, there was support to implement a waiting list. Several board members suggested that SWWDB begin a public relations campaign to bring the issues to the attention of area residents. Mr. Stocker believes that a public relations program as well as a positive, proactive approach is needed simultaneously.

Dr. Borremans stated that SWWDB will begin to work with program operators to begin implementing a waiting list for clients not currently in the system. He noted that the waiting list would apply to training and other types of WIA services through the Job Center Resource Rooms would still be open and available to assist clients. He said he would like to make the legislators aware of the problem before moving ahead on a formal public relations program.

F. Workforce Investment Act (WIA) Reauthorization

Mr. Stocker stated that he attended the recent Wisconsin Workforce Development Association (WWDA) meeting learned about efforts to influence WIA reauthorization. The 11 workforce development board are working together to recommend clear programmatic goals for new WIA legislation. Dr. Borremans added that there will be a listening session with workforce board representatives and Congressman Thomas Petri in Fond du Lac on September 28, 2009 from 2:00-4:00PM and encouraged board members to attend with him.

G. Ad Hoc Eligible Training Provider (ETP) Committee Membership

Mr. Stocker said that recent resignation and retirement on the Board have created vacancies on the Ad Hoc Eligible Training Provider committee. He asked for two volunteers to serve on the committee replacing Tom Hogan and Geoff Upperton. Mr. Gruber and Ms. Harrington volunteered and were appointed by Mr. Stocker to serve on the committee.

11. Executive Director's Report

Dr. Borremans distributed the latest edition of the Workforce Snapshot, a letter from the Department of Workforce Development about Pell Grants and a Janesville Gazette article about Ed Martinez, one of the case managers hired by the AFL/CIO.

12. Chairperson's Report

Mr. Stocker reported on the Executive Committee Meeting that was held on 6/10/09, where a review of Dr. Borremans was conducted. As a result of the review, Dr. Borremans received a 2 ½% pay increase and a \$3,000 one-time bonus. A preferred bonus was also extended to certain SWWDB staff members for the extra work completed to address the sharp increase in dislocated workers during the past year.

13. Adjournment

Mr. Stocker adjourned the meeting at 7:34PM and thanked everyone for attending. The next regularly scheduled Board Meeting will be Wednesday, December 9, 2009.