

# Southwest Counties Consortium Meeting

November 24, 2009

## Meeting Minutes

The Southwest Counties Consortium meeting was held on Tuesday, November 24, 2009, at the Iowa County Courthouse in Dodgeville, Wisconsin. Attendance was as follows:

<b>Members Present:</b>	Mr. Art Carter	Mr. Mark Masters
	Mr. Fred Clary (Ms. Ann Greenheck)	Mr. Robert Keeney (Mr. John Patcle)
	Mr. Russ Podzilni	

<b>Members Excused:</b>	Mr. Jack Sauer
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<b>Staff Present:</b>	Dr. Robert Borremans	Ms. Annette Meudt
	Ms. Kathy Kessler	

The meeting of the Southwest Counties Consortium was called to order by Mr. Carter at 11:55am.

### 1. Approval of Minutes

Motion by Mr. Masters, second by Mr. Podzilni to approve the minutes of the Southwest Counties Consortium meeting held on August 25, 2009. **Motion carried unanimously.**

### 2. Annual WIA Program Performance Report for Program Year 2008

Dr. Borremans explained that the Department of Workforce Development (DWD) collects data on 15 measures of performance on each of the 11 WDA's. He added that although SWWDB's Program Year (PY) 2008 performance was not as good as in the past, SWWDB exceeded 6 of the performance measures, met 9 measures and failed none; and still ranked among the top performing WDA's in Wisconsin. Dr. Borremans said that achieving performance outcomes has become more difficult because of the economy. Also, DWD and DOL have increased expectations making it more difficult to meet or exceed negotiated outcomes.

Mr. Carter asked what happens if an area fails a measure. Dr. Borremans stated that the procedure is to implement corrective action so that a failure does not occur again. He added that some WDAs have failed repeatedly but have not suffered any repercussions from these failures. Dr. Borremans believes that it is a true accomplishment for SWWDB to have met or exceed measures in this current economic situation. He added that, unless the economy changes and there is an increase in jobs in the area, achieving performance outcomes will be more difficult next year.

### 3. DWD ARRA Monitoring Report

Dr. Borremans reported that there was one finding indicated in the DWD ARRA Monitoring Report received on November 6, 2009. The finding was due to not having the selective service documentation on file for a summer youth participant who turned 18 while enrolled in the Summer Youth Program. DWD claims this participant did not register within the 30 day time period and, therefore, program costs for the person have been disallowed.

Dr. Borremans stated that SWWDB intends to challenge the finding to have it changed to an observation thereby removing the item as a disallowed cost. He cited two reasons for the challenge. First, this situation appears to be an oversight rather than a willful attempt to disregard the law requiring selective service registration. Second, DWD regulations provide a grace period for registration and the person actually registered during the grace period. Therefore, SWWDB believe the person was in compliance with the regulations. Dr. Borremans said that DWD appears to be taking a “harder attitude” regarding policy enforcement. He noted that DWD has discretion on whether this type of situation would be a disallowed cost.

The amount of the disallowed cost is approximately \$1,900 in wages. He added that SWWDB’s contract with program operators contains a provision that disallowed costs are the program operator’s responsibility. In this case, CESA 2 would be required to make restitution if the appeal is not approved.

#### **4. Summer Youth Employment Outcomes**

Dr. Borremans said that the Summer Youth Work Experience Program operated by SWWDB was very successful. He cited the positive outcomes of the program including exceeding the 70% spending requirement (79% actual) and serving 146 youth in 22 public sector and 20 private sector employment opportunities. Dr. Borremans stated that SWWDB feels very comfortable that this was a well managed and successful program that served the intent of the act. A booklet detailing the summer youth experiences, relationships formed, success stories and activities was compiled and shared with the DWD and Department of Labor representatives.

Dr. Borremans added that because of the success of the program this year and the current malaise of the jobs, he expects that the program will be refunded and continue next summer. He said that SWWDB has already begun preparations for next year.

Mr. Clary asked how an employer would access the program and if notification comes through the school system. Dr. Borremans explained that notification was made through news releases and the two CESA organizations that represent all of the counties. He added that because the funding became available in February and the program was due to start in May, SWWDB began working with the in-school youth that were part of the CESA activities. Community based organizations, such as the Community Action Program, were also consulted. Employers involved in the program were selected based on the career interests of the students with the goal of developing a career pathway. Dr. Borremans added that the goal for the future is to recruit more private sector employers.

#### **5. Update on Funding and Service Activities**

Dr. Borremans began by stating that the number of dislocations, special funding, and rules imposed to use stimulus dollars on state and federal levels have created a chaotic atmosphere and, therefore, created some concerns regarding funding for training in the future.

In PY 2006-2007, SWWDB served about 1,300 individuals in all programs. The number served remained basically the same in PY 2007-2008. However, in PY 2008-2009 the number served rose to about 3,198. So far the first half of PY 2009-2010 has been even busier with an estimated 3,335 individuals’ enrolled for services. He explained that SWWDB received \$4,256,307 in total allocation funds in WIA, ARRA and NEG allocations, and \$2,850,552 (67% of the total allocation) was directly allocated to training. \$2,699,266 of the training amount has already been obligated which is 94.69% leaving virtually no funds

for new participants to enroll in training. Therefore, SWWDB has been forced to begin a waiting list for enrollment into training with 184 participants already on the list.

Dr. Borremans indicated that has been difficult to accurately track funding obligations and manage services within budget limitations. Due to the volume of transaction, the training providers were slow in submitting vouchers for actual expenses. Job Service also did not obligate funds for the entire year as directed. These factors have made it difficult to get a good handle on actual costs and the amount available for new enrollees. However, he believes that funding should be adequate for the remainder of the current year, but that without additional funding there are concerns for the next program year. Overall, he is very pleased with the way that program operators have rallied to provide services to clients and that each program operator has performed well given the increased numbers.

Dr. Borremans discussed that many of the grants that SWWDB has received are for “one-year” or are targeted population grants. This means that funding from these grants could end before currently enrolled participants complete training. Looking at the projected funding for next year, there are insufficient resources to pay expenses for the number of clients currently enrolled in training who will likely continue in training in the next program year (PY2010-11). This concern was taken to the Board in September who supported “freezing new enrollments” and creating the waiting list. The goal would be to use any available funding to help currently enrolled participants complete training before taking in new clients. The waiting list was implemented in late October and there are presently 185 people on the waiting list. He noted that the waiting list applies only to training services and their clients may still receive all other services offered through the resource room.

Dr. Borremans explained that SWWDB is pursuing every option available for additional funding. One option is an additional National Emergency Grant (NEG) grant. The existing NEG applies only to 2<sup>nd</sup> shift auto workers and that SWWDB is in the process of applying for a NEG for the 1<sup>st</sup> shift workers. Normally NEG funds are available for a two year time period; however SWWDB has been instructed that DOL is only authorizing funding through the end of the federal fiscal year.

Dr. Borremans added that DWD has made some of the Governors’s discretionary funding available to WDBs that need additional resources. SWWDB received \$189,000 from this fund. Additionally, there was a fund distribution error for WIA and ARRA funds and SWWDB received an additional \$105,913 in formula allocation funds. Dr. Borremans stated that projected versus actual costs have resulted in some funds being reallocated among clients. SWWDB is also working with DWD on other options. He added that other WDBs are experiencing a similar predicament.

Dr. Borremans said that SWWDB will not know what its WIA allocations will be until April or May. Due to the current NEG running out, program operators will be notified that SWWDB may not continue their services beyond the extent of this grant. Dr. Borremans stated that the intent is to go public and explain to the media what the current situation is.

Mr. Carter asked who determines the amount of training received. Dr. Borremans explained that SWWDB policy has established a lifetime maximum of \$8,000 per individual for training. The training focuses on demand training in driver industries established by the local workforce board. Dr. Borremans added that case managers, based on an assessment of an individual, work up an education plan which outlines training goals and outcomes. Additionally, the programs available at the local technical colleges also determine the training available. The length and cost of training is a concern,

thus DWD as encouraged shorter term career pathways training.

Mr. Carter asked what training used when there are no jobs available. Dr. Borremans stated that WIA is not intended for general education, but for skill development. The goal would be to encourage individuals to seek training in skill-oriented, driver industries relevant to the local area such as vhealthcare; transportation, logistics and warehousing; food processing; agriculture and manufacturing.

Mr. Clary asked why training dollars cannot be used for IT training at a 4-year college and why the training must go to the technical colleges that are not producing the IT people. Dr. Borremans said that goes to the nature of the Department of Labor training and the view that community and technical colleges are best aligned to provide the occupational skill training needed to people prepared for jobs. DOL funding promotes training; it is not intended as an education program. He explained that an education program is longer term focused on the acquisition and application of knowledge. Community and technical colleges are geared to specific occupational skill development and are shorter in length getting the person into the workforce quicker. Dr. Borremans added that according to DWD 40% of the workforce in Wisconsin possesses a high school diploma or less and, therefore, are not suited to participate in university programs. He added that the DWD secretary has the view that WIA funds should go to the technical colleges to help offset any shortfalls that they are experiencing with their own budgets.

**6. WIA and ARRA Fund Distribution Error**

Dr. Borremans explained that one of the WDBs approached the Department of Workforce Development about concerns that the WIA allocation has been miscalculated. DWD conducted an audit and concluded that an error had occurred. Therefore, several regions had received a higher allocation than entitled to while other areas were shorted funds. The errors totaled \$5.5 million. The Governor's office agreed that regions that received extra funding would not have funds taken away, but regions that were shorted would be made whole. The funding for this will come from the Governor's discretionary fund. Dr. Borremans added that SWWDB was underpaid will receive \$105,913.

**7. Update on 35% Policy Guidelines**

Dr. Borremans stated the DWD has issued new rules requiring that 35% of WIA allocation funds be spent on training. This is a significant change which requires 35% of the WIA allocation be used for training in "high wage" occupations. Ms. Meudt added that if the new guidelines had applied to the last program year, SWWDB would have exceeded this guideline with 52% spent on training for dislocated workers, 58% for adults, 51% for SRR training and 30% for youth.

**8. Skills Jump Start Grant**

Dr. Borremans described the new Skills Jump Start Grant that is being funded through the Governor's discretionary funds. He added that one Skills Jump Start Grant is allowed in each area. SWWDB is working with Southwest Tech and have submitted the application. This grant will provide the bridge programming to address academic and computer literacy skill needs to get an individual into occupational training. The grant request is for \$54,970 and will focus on the energy communication technician field.

**9. Leased Employee contracts**

Dr. Borremans explained that the counties have leased employees through contracts with SWWDB for many years. The employees are actually on the SWWDB payroll but perform then job responsibilities for

the counties. The number of positions changes periodically and Ms. Meudt noted that the number has declined from 30 to 19 as the counties are reducing and eliminating positions. Dr. Borremans added that the contract amount includes wages, fringes, other direct expenses and a 7% administrative fee. He said that the 7% fee has remained constant for more than 10 years and SWWDB will continue with the same fee for 2010.

**10. Workforce Innovation in Regional Economic Development (WIRED) Update**

Dr. Borremans said DOL has authorized WIRED funding through the end of the grant (June 2010) which means that the full \$5 million can be spent out. Also, an evaluation team will be in the area in February to evaluate project activities, systems and progress.

The Leadership Caucus has approved recommendations regarding additional money. The Stateline Career Education and Technical Academy and CESA 2 in Rock County, received an additional \$30,000 to develop career pathways and provide instruction in construction, welding, manufacturing and engineering. Southwest Wisconsin Technical College received an additional \$75,000 to develop teacher kits for the construction and energy fields, and SWWDB Future Fields project received \$42,960. SWWDB is partnering with the Department of Agriculture and Consumer Protection (DATCP) on this project and has been designated as the grant recipient because of the state government hiring freeze.

**11. Appointment/Resignation of Board Members**

Dr. Borremans explained that the Board currently has 31 members and that there are 12 members whose terms are about to expire. He added that Board members are appointed to a three year term on a calendar year cycle. He stated that Mr. Ivan Collins, Education Training Specialist at the Rock County Job Center, is a case manager for the AFL-CIO Labor Employment and Training Center where he serves dislocated workers. Mr. Collins has been nominated by the Rock County Central Labor Council and endorsed by the Southern Wisconsin Building and Construction Trades Council to join the Board replacing Geoff Upperton who has retired.

Motion by Mr. Podzilni, second by Mr. Masters to approve the appointment of Mr. Collins to the Board for a three year term beginning January 1, 2010 and ending December 31, 2012. **Motion carried unanimously.**

Motion by Mr. Masters, second by Mr. Podzilni to approve the reappointment of Mr. Charles Elliott, Mr. James Finley, Ms. Carmen Granados, Mr. Rich Gruber, Ms. Cindy Harington, Ms. Anne Hore, Mr. Randy Jacquet, Dr. Karen Knox, Mr. Tom Larsen, Ms. Suzanne Lee, Mr. Bruce Palzkill, Mr. Scott Stocker and Mr. Larry Ward. Their new terms will begin January 1, 2010 and end December 31, 2012. **Motion carried unanimously.**

**12. SWWDB December Board Meeting**

The Southwest Wisconsin Workforce Development Board will meet on Wednesday, December 9, 2009 at Folklore Village in Dodgeville. The meeting will begin at 4:00p.m. and end at approximately 7:30p.m. The Local Elected Officials are invited to attend.

**13. Other Business**

None

**14. Adjournment**

Motion by Mr. Podzilni, second by Mr. Keeney to adjourn the meeting. Meeting adjourned at 1:21 p.m.