

Southwest Counties Consortium Meeting

May 25, 2010
Meeting Minutes

The Southwest Counties Consortium meeting was held on Tuesday, May 25, 2009, at the Iowa County Courthouse in Dodgeville, Wisconsin. Attendance was as follows:

Members Present:	Mr. Dave Bauer (Ms. Carol Anderson) Mr. Art Carter	Ms. Ann Greenheck Mr. John Patcle
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Members Excused:	Mr. Russ Podzilni	Mr. Jack Sauer
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Staff Present:	Dr. Robert Borremans Ms. Kathy Kessler	Mr. Eric Kuznacic Ms. Annette Meudt
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Guests Present:	Mr. Larry Ward
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The meeting of the Southwest Counties Consortium was called to order by Mr. Carter at 11:45am.

1. **Election of Officers**

Motion by Ms. Greenheck, second by Mr. Patcle to nominate Mr. Art Carter for the position of Chairperson of the Southwest Counties Consortium and the Chief Local Elected Official (CLEO). **Motion carried unanimously.**

Motion by Mr. Patcle, second by Mr. Carter to nominate Ms. Ann Greenheck for the position of Vice-Chairperson of the Southwest Counties Consortium. **Motion carried unanimously.**

2. **Approval of Minutes**

Motion by Mr. Carter, second by Ms. Greenheck to approve the minutes of the Southwest Counties Consortium meeting held on November 24, 2009. **Motion carried unanimously.**

3. **PY 2010 WIA Allocations**

Dr. Borremans stated that the State of Wisconsin has received the WIA allotment funds. He said that Wisconsin received a PY10 formula allotment totaling \$54,132,207. He noted that youth, adult and dislocated worker categories all increased 30%. Dr. Borremans stated that the Wagner Peyser funds, which are used to pay Job Service and labor exchange functions, decreased and there was no increase in the Workforce Information Grant, resulting in an overall increase of 21% from PY09.

Dr. Borremans said that the Wisconsin Department of Workforce Development, Division of Employment and Training (DWD/DET) distributes eighty-five percent (85%) of the Youth (\$11,868,797) and Adult (\$9,969,963), and sixty percent (60%) of Dislocated Worker (\$11,960,593) allotments to local workforce development boards. Twenty-five percent of the Dislocated Worker allotment (\$4,983,580) is set aside for the Rapid Response program. DWD retains the balance of the WIA funds for state level for program

administration and oversight, (\$2,281,337) and statewide activities (\$4,562,675).

Dr. Borremans discussed the formula allocation error for the distribution of WIA funds that occurred and stated that the formula has now been corrected. SWWDB's WIA allocation will be \$2,060,901 which reflects an increase of 5.5% for adult, 5.44% for youth and 7.23% for dislocated worker funding for an overall increase of 6.1%, as part of the base allocation. This allocation is the base amount available to total WIA services including administration, program operations, training and other WIA services. He added that NEG, SRR and special program funding is above and beyond the base allocation.

In the last seven (7) years, Dr. Borremans stated that the base allocation has changed from 30-40% of lost funds to a .73% loss in adult, 1.02% loss in youth, and 2.27% increase in dislocated worker allocations and have resulted in a current positive overall allocation of .22%. He added that this is good news.

Dr. Borremans stated that the proposed distribution of funds as outlined on the PY 2010-11 WIA Allocation Plan, will be presented to the Board at the June 9, 2010 meeting for the purpose of establishing the SWWDB budget and finalizing grant awards to program operators.

Dr. Borremans stated that Job Service has chosen not to apply for an RFP and, therefore, will no longer be SWWDB's WIA program operator effective July 1, 2010. Mr. Carter asked what function Job Service would serve at the conclusion of the contract. Dr. Borremans replied that Job Service will continue to be a Job Center partner and provide Resource Room services which are the first line of communication and information with the client through core services. He added that core services, among other things, include submission of applications, review of Job Center of Wisconsin employment bulletin boards for job postings and agency referrals.

Dr. Borremans noted that WIA regulations for the allocation include a hold harmless clause stating that there may not be more than a 10% loss of funding. He added that SWWDB is the only area in the state that falls under the hold harmless provisions for the upcoming year.

4. Workforce Innovation in Regional Economic Development (WIRED)

Dr. Borremans said that WIRED was intended to be a broad based economic development initiative across the South Central/Southwest WDB region which relied on groups of leaders coming together to recommend initiatives that would benefit the region. He added that the WIRED concept was not implemented as originally proposed in this area. Due to the change in administration, WIRED has been eliminated and will conclude on June 30, 2010.

Dr. Borremans stated that on June 3, 2010, a Regional Innovation Showcase will take place at the Alliant Energy Center beginning at 8:30 a.m. Projects funded under WIRED will be showcased and a Leadership Caucus Meeting will take place from 1:30-2:30. Notification from WIRED indicated that all staff will conclude their employment on June 30, 2010. Although staff will not continue, WIRED is looking at ways to continue some of the initiatives under an alternate funding system. Mr. Carter asked about the original length of the WIRED grant. Dr. Borremans replied that the original plan was three (3) years and, after the first year, a fourth year was considered as a "no cost" extension; however, that was never approved and the project remained at the 3 year term.

5. DWD Monitoring of WIA Programs

The DWD conducted on-site monitoring of SWWDB WIA programs from May 4 – 6, 2010. The final report will be out in sixty (60) days and will be made available to LEO members at that time. However, Bob Borremans reported that SWWDB had one (1) finding related to buying boots for a client enrolled in On the Job Training (OJT). OJT reimburses only a portion of wages and a misunderstanding occurred resulting in a disallowed cost of \$85. The program operator will be responsible for this disallowed cost.

Dr. Borremans discussed observations that resulted from a review of records. The first related to the date that a person enters into WIA services. Case managers have been using the orientation date when the correct entry date is the actual WIA registration date. The second issue relates to when an individual enters training. The date training begins is the date the client enters training, not the date the client registers for classes. The SWWDB WIA program guide is being rewritten to prepare for new program operators and this guide will clarify registration and training entry procedures for new case managers.

6. On-the-Job and Customized Policy Changes

Dr. Borremans discussed the details of OJT and customized training. He said that SWWDB did not use OJTs very often because WIA performance outcomes required earning a credential which required completion of a standardized training program. A credential is typically not earned as part of an OJT or customized training opportunity. DWD has received a waiver of several WIA requirements, including the credential requirement, opening new opportunities for OJT and customized training.

SWWDB will begin to look at OJT and customized training as a first option for individuals at the same level as classroom training. Dr. Borremans added that those that have been impacted by the auto industry dislocations, may not be interested in a formal one- or two-year training program and are seeking other training options that would result in job placement.

Mr. Eric Kuznacic, SWWDB Business and Employer Services Manager coordinates the OJT contracting process. Dr. Borremans explained that the training period for an OJT is based on the amount of time it takes for the individual to learn the essential job skills to perform at a full production level. This is determined in one of two ways; either by the company and the uniqueness of the job as determined by the employer or based on national criteria through O*Net, the Department of Labor's occupational network.

Dr. Borremans explained that routine employment orientation would not qualify for an OJT. An OJT can be an incentive to hire an individual, but there must be job skill learning otherwise it is subsidized training which is not an allowable WIA activity. Training must occur, there must be a training supervisor overseeing the training, there must be training outcomes and the length of training must be appropriate for the training to qualify as an OJT. OJT opportunities are typically one-on-one training events.

Dr. Borremans described customized training as being similar to OJT, but for a group of workers. Customized training would occur when all individuals hired need the same type of training. Typically a training provider is brought in to conduct the training such as a technical college or a manufacturer's representative.

Ms. Anderson asked what kind of time frame is considered with OJT. Dr. Borremans explained that OJT is capped at a maximum of \$3,500 per employee so the duration is limited to a couple of weeks to several months depending on the job. Mr. Carter asked if a combination of training could be used. Dr. Borremans stated that the current cap for training is \$8,000 and can be used in combination with OJT and classroom training if desired. Dr. Borremans stated that SWWDB needs to rewrite its policy given the new provisions and SWWDB may consider allowing OJT training on top of the \$8,000 classroom training cap as an incentive for getting people back to work.

Mr. Ward asked what happens to someone who completes a training program and still is unable to find employment. Dr. Borremans said that it would count as a negative termination and count against performance outcomes. The expectation is that the program operators would manage client services in such a way to minimize negative termination. He added that a graduate of training or programming can still receive services until they find a job.

7. Appointment of Board Member

Ms. Amy Charles was appointed as the new Director for Job Service after Mr. Bruce Palzkill's promotion to a State DWD position. A request was received from DWD to appoint Ms. Charles to the Board to replace Mr. Palzkill. Ms. Charles' appointment would become effective immediately and continue until December 31, 2012.

Motion by Ms. Greenheck to appoint Ms. Charles to the SWWDB Board of Directors, second by Mr. Carter. **Motion carried unanimously.**

8. Southwest Counties Consortium Meeting Schedule

Dr. Borremans stated that the Southwest Counties Consortium has been meeting quarterly following the Southwestern Wisconsin Regional Planning Commission meetings. He has asked the committee if the meeting schedule is still acceptable. The committee agreed that the schedule is acceptable and approved continuation of the schedule with flexibility that if a meeting is not necessary it would be cancelled. Ms. Greenheck expressed concern that the November 23, 2010 meeting falls two (2) days prior to Thanksgiving. Mr. Ward stated that he would discuss this with the Commission members with the intent of scheduling the November meeting for another date.

9. General Information Items

A. Summer Youth Employment

Dr. Borremans said positive information from SWWDB's Summer Youth Program was shared with Wisconsin's Congressional delegation. The House of Representatives passed a summer youth bill in November, but the Senate has failed to pass similar legislation several times. At this point, summer youth employment has not been approved although the Senate is still attempting to pass a Bill. Dr. Borremans stated that any legislation would be too late for this year, but could be viable for 2011 summer programs.

B. WIA Reauthorization

Dr. Borremans stated that the original WIA act passed in 1998 and should have been reauthorized in 2003. There was optimism that WIA would be reauthorized this year, but health care legislation delayed any action. At this point no action has occurred on reauthorization of WIA. What are

happening in lieu of a new act are waivers on WIA provisions and different policy interpretation by the new DOL administration.

C. WIA Program Operator Selection Update

Dr. Borremans stated that Wisconsin Job Service decided not to continue to be the provider of WIA services. Therefore, SWWDB issued a RFP for program operators and has received four (4) proposals. One proposal was from a firm in Maryland and was dropped from consideration because of cost and out-of-state location of the provider. AFL/CIO LETC's proposal included providing services across all six (6) counties; Manpower/SWCAP's combined proposal would serve all counties; and SWTC's proposal would provide service to Grant, Iowa, Lafayette and Richland Center. Dr. Borremans said that the SWWDB executive committee believes that the SWTC proposal was the best proposal considering staffing, innovative plans and location of the job center on the college campus and they recommended a contract with SWWDB. The committee directed SWWDB administration to negotiate with Manpower and AFL/CIO LETC to provide services in Rock and Green counties. Negotiations have been completed and the executive committee will review the information on June 4th. The committee recommendation will be presented to the full Board on June 9th for approval and award of contracts.

D. Exhaustion of Unemployment Services

Dr. Borremans said that in February, DWD sent a letter to approximately 10,000 individuals stating that unemployment benefits would be exhausted. He added that several hundred unemployed workers continue to receive this letter weekly and approximately 25,000-30,000 individuals will be advised that they will be losing their unemployment benefits by July 1, 2010.

E. Department of Corrections Pipeline

Dr. Borremans explained that the Department of Correction's Pipeline Program is an attempt to help inmates, soon to be released from prison, reenter the workforce. He added that each workforce area is participating and providing follow-up activities. Dr. Borremans said that there will be a Department of Correction Pipeline Summit on Wednesday, June 9th from 10:00 a.m. until 2:00 p.m. at the Boscobel Facility.

F. Ed Montgomery Visit

Dr. Borremans said that the visit to Rock County from the White House Council for Auto Communities and Workers has been scheduled for June 11th. This event will feature representatives from ten (10) federal agency representatives.

G. 35% Requirement

Dr. Borremans said that the 35% requirement which stated that training dollars be used for high wage training has been revised. The new requirement is that 35% of the WIA allocation be used to pay for training. Dr. Borremans added that SWWDB is in compliance with this requirement.

H. Veteran's Job Fairs

Dr. Borremans stated that the new federal law requires that veterans be given preference to programs. He added that SWWDB is in full compliance of this new law. Job Fairs to provide support to veterans have been scheduled from March through October at various locations across the state.

I. **Wisconsin Workforce Development Association – Gubernatorial Event**

Dr. Borremans explained that the Wisconsin Workforce Development Association is a group that was formed several years ago and consists of the local area CLEO, the Workforce Board chair and the Executive Director. He added that a discussion session with the two (2) governor’s candidates has been scheduled for September 21st or 23rd and will likely take place at the Country Springs Resort in Waukesha. He will share more information as it comes available.

10. **Other Business**

None

11. **Adjournment**

Motion by Mr. Carter, second by Ms. Greenheck to adjourn the meeting at 1:14 p.m. **Motion carried unanimously.**