



WISCONSIN LEGISLATIVE COUNCIL

BUILDING WISCONSIN'S WORKFORCE

Room 412 East, State Capitol
Madison, Wisconsin

July 21, 2008
10:00 a.m. - 4:30 p.m.

[The following is a summary of the July 21, 2008 meeting of the Special Committee on Building Wisconsin's Workforce. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc>.]

Call to Order and Roll Call

Chair Strachota called the meeting to order. The roll was called and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Rep. Pat Strachota, Chair; Sen. Robert Wirth, Vice Chair; Reps. Gordon Hintz and Mark Honadel; and Public Members Forrest Ceel, Jim Golembeski, John Keckhaver, Mark Kessenich, Steve Mercaitis, Peter Thillman, Carol Wagenson, and Judy Warmuth.

COMMITTEE MEMBERS EXCUSED: Sens. Alberta Darling and Robert Jauch; and Public Member Karen Wilken.

COUNCIL STAFF PRESENT: Scott Grosz and Jessica Karls, Staff Attorneys; and Kelly Mautz, Support Staff.

APPEARANCES: Terry C. Anderson, Director, Legislative Council Staff; Roberta Gassman, Secretary, and Dennis Winters, Department of Workforce Development (DWD); James Haney, Wisconsin Manufacturers and Commerce; Bill Smith, National Federation of Independent Business; Forrest Ceel, IBEW Local 2150; Mark Reihl, Al Atkinson, Joe Weisling, James Greer, and Mert Summers, Wisconsin State Council of Carpenters; Judy Warmuth, Wisconsin Hospital Association; Terri Newmier, Marshfield Clinic; Steve Mercaitis, Lori Knapp, Inc. Companies; and Debbie Fedel, SEEK Careers/Staffing, Inc.

Opening Remarks

Terry C. Anderson welcomed the committee and gave a brief summary of the Joint Legislative Council. He introduced the Legislative Council staff members assigned to work with the committee. He discussed rules for voting and described the process of reimbursement of expenses. He noted that the committee's meetings will be recorded and available on the Internet.

Introduction of Committee Members

Chair Strachota introduced herself and welcomed the committee. She provided a brief description of her interest in the labor needs of the state and expressed her excitement to hear expert testimony on those labor needs. Following her remarks, Chair Strachota asked the committee members to introduce themselves and to explain their interest in serving on the committee.

Presentations by Invited Speakers

[Note: PowerPoint presentations and other documents referred to by the speakers are posted on the committee's Internet site.]

Secretary Roberta Gassman and Dennis Winters, DWD.

Secretary Gassman began her presentation to the committee with an overview of Wisconsin's workforce development system. She described the Governor's Council on Workforce Investment and explained the state's oversight of workforce development and its collaboration with local workforce development boards. Secretary Gassman provided details on the funding of the DWD Job Center programs and explained the role of the state's regional workforce development boards.

Next, Secretary Gassman outlined challenges facing state workforce development. Those challenges include diminishing federal resources; demographic changes and skill shortages; changes in technological needs; limited student, parent, and school knowledge about the workforce; and poverty.

Secretary Gassman also discussed Governor Doyle's Grow Wisconsin Plan. According to the Secretary, the plan will address innovation and research and development, and commit funds to attract new investors to the state. The Grow Wisconsin Plan also will focus on renewable energy, and next-generation agriculture and manufacturing. Secretary Gassman described the plan's investments in people, education, and training. These components include the Manufacturing Skills Standards Certification and Regional Industry Skills Education. The Secretary also discussed the National Governors Association Policy Academy, the Grow Wisconsin Plan's Milwaukee Initiative, and several additional grant programs including opportunity grants, emerging industries skills partnership grants, and workforce innovation in regional economic development grants.

Following her presentation, Secretary Gassman responded to questions from committee members.

Dennis Winters, Chief, DWD Office of Economic Advisors, provided data on the state's workforce growth, workplace skills requirements, and family income. He also described projections for workforce growth through 2016. In particular, Mr. Winters noted that, with few exceptions, growth in occupations that pay greater than median earnings will be dominated by occupations that require post-secondary training.

Mr. Winters followed his presentation by responding to questions from committee members.

James Haney, Wisconsin Manufacturers and Commerce.

Mr. Haney discussed issues relating to workforce development as encountered by the members of his association. He noted that member companies routinely encounter skills gaps as well as shortages of non-skilled workers. He emphasized the importance of "soft" skills and suggested that the committee explore opportunities for the support of "soft" skill development. Additionally, he suggested that the committee review the work of proven recruiting resources, citing Project Lead The Way as an example. Mr. Haney also suggested the use of the tax code to provide incentives for retraining programs, although he stated that the tax code also should be revised in order to be easily understood with regard to tax credit eligibility.

Following his presentation, Mr. Haney responded to questions from committee members.

Bill Smith, National Federation of Independent Business.

Mr. Smith described the membership of the National Federation of Independent Businesses. In particular, he noted that there are many small businesses in the industries targeted by the committee's charge, including the technology, health care, and manufacturing industries. Echoing the statements of Mr. Haney, Mr. Smith emphasized the importance of "soft" skills in a competitive workforce. Mr. Smith also described the scheduling challenges that small employers face in their attempts to provide training to employees.

Mr. Smith also responded to questions from committee members. When asked about policy suggestions by Chair Strachota, Mr. Smith responded that programs for employee training would be a good idea. He also noted that small firms often lack awareness and ability to pursue public resources, and suggested that the Department of Commerce address this issue through increased advocacy for small businesses.

Forrest Ceel, IBEW Local 2150.

Mr. Ceel spoke to the committee about the role training and apprenticeship play in increasing employee retention. He provided details on the extensive apprenticeship process in the utility industry and described demographic trends in that industry. Mr. Ceel noted that he believed the extensive apprenticeship program made young employees feel invested in their careers and contributed to increased employee retention. However, he noted that long apprenticeships make it hard for the utility industry to react to rapid changes to the labor supply. Mr. Ceel also responded to questions from committee members, including questions on role of federal immigration policy and the utilization of skilled foreign workers.

Mark Reihl, Al Atkinson, Joe Weisling, James Greer, and Mert Summers, Wisconsin State Council of Carpenters.

Mr. Reihl began his presentation with an overview of carpenter apprenticeship and training programs in the state. He noted that union collective bargaining agreements contain provisions that fund union apprenticeship programs. Mr. Reihl described the facilities and curriculum for these apprenticeship programs and compared the union programs to programs offered at high schools and technical colleges.

Mr. Weisling and Mr. Atkinson minimized retention issues as a source of concern for skilled trades. They noted that, due to the time-investment on the part of an apprentice, completion of an apprenticeship is an indicator that an employee will remain employed in a skilled trade. However, they cautioned that many potential apprentices are turned down for lack of basic math skills. Mr. Weisling and Mr. Atkinson also suggested that high schools could do more to market skilled trades by providing better information on careers in skilled trades and by encouraging students to develop basic mechanical skills.

Following their presentations, Mr. Reihl, Mr. Weisling, Mr. Atkinson, Mr. Summers, and Mr. Greer responded to questions from committee members.

Judy Warmuth, Wisconsin Hospital Association.

Ms. Warmuth began her presentation with a description of certain Wisconsin demographic trends. In particular, she noted that Wisconsin is “older” than neighboring states, due to a relatively low birth rate, a low number of minority populations, and Wisconsin’s relative attractiveness as a destination for retirees. She noted that Wisconsin’s aging population will increase future demand for health care. At the same time, Ms. Warmuth noted that Wisconsin’s health care labor force is getting older, suggesting future decreases in the labor force as current workers reach retirement age.

Ms. Warmuth described efforts to market the health care industry and noted that the industry has had relative success with regard to those marketing efforts. However, she also noted the need to create educational capacity for students interested in joining health care industries. She also noted the need for innovation in the provision of care, and the need to explore strategies to retain members of the current health care labor force.

Following her presentation, Ms. Warmuth responded to questions from committee members.

Terri Newmier, Marshfield Clinic.

Following Ms. Warmuth’s presentation, Ms. Newmier provided a detailed description of the labor needs across a variety of specific careers in the health care industry. In particular, she noted critical labor shortages for careers including physical therapists, physicians, pharmacists, and certain types of specialty nurses. She also expressed concern for careers including clinical social workers, prosthetists, imaging technologists, and laboratory professionals.

In general, Ms. Newmier noted that extended degree requirements, the limited number of educational programs, remote areas of practice, and generation “Y” ideals all affect the labor needs of the health care industry. Ms. Newmier described efforts of Marshfield Clinic to address labor shortages.

Those efforts include partnerships with technical schools and universities, as well as tuition assistance and loan agreements directed at individual students.

Ms. Newmier followed her presentation by responding to questions from committee members.

Steve Mercaitis, Lori Knapp, Inc. Companies.

Mr. Mercaitis described the long-term care segment of the health care industry and provided details on the labor issues faced by long-term care providers. He noted a need to shift to competency-based training mandates as well as elimination of duplicative training requirements. He also described issues relating to the funding of long-term care and the impact that a lack of funding has on wages in the long-term care industry. Mr. Mercaitis noted that overtime and rural travel have a substantial effect and lead to retention issues within the industry. Mr. Mercaitis reiterated points from earlier presentations about the increasing demand for long-term care that will accompany an aging Wisconsin population.

Debbie Fedel, SEEK Careers/Staffing Inc.

Ms. Fedel began her presentation with a description of placement services offered by firms in the staffing industry. She noted that her firm, SEEK Careers/Staffing, Inc., generally engages in temporary, temporary-to-hire, and direct hire placements. However, she stated that her firm does not engage in temporary placement for skilled trades and professional positions. In general, she offered her perspective on labor force issues as encountered by her firm. Ms. Fedel stated that a lack of basic skills is the most common source of problems for employers and that employers are often very willing to train employees who have basic skills. Ms. Fedel described several K-12 programs that she thought to be excellent models for the committee to consider. She explained the Ozaukee Workplace Learning Program as well as a Nevada charter school program that focused on the construction industry. Ms. Fedel also responded to questions from committee members upon completion of her presentation.

Discussion of Committee Assignment

Chair Strachota commented on the testimony of the invited speakers. She noted the emerging themes of the need to address basic math skills, as well as “soft” skills. She also described the tentative agenda for the committee’s August 18, 2008, meeting. In particular, she noted that the committee would hear from invited speakers regarding the contributions of K-12, technical college, and university systems to development of Wisconsin’s labor resources.

Other Business

There was no other business brought before the committee.

Plans for Future Meetings

The next meeting of the Special Committee will be *Monday, August 18, 2008, in Room 412 East, State Capitol, Madison.*

Adjournment

The meeting was adjourned at 4:30 p.m.

SG:ksm