



WISCONSIN LEGISLATIVE COUNCIL

BUILDING WISCONSIN'S WORKFORCE

Legislative Council Conference Room
Madison, Wisconsin

March 30, 2009
10:00 a.m. – 12:00 p.m.

[The following is a summary of the March 30, 2009 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.

COMMITTEE MEMBERS PRESENT: Reps. Pat Strachota, Chair, Mark Honadel, and Gordon Hintz; and Public Members John Keckhaver, Peter Thillman, Carol Wagenson, and Judy Warmuth.

COMMITTEE MEMBERS EXCUSED: Sens. Robert Wirsch, Vice Chair, Alberta Darling, and Robert Jauch; and Public Members Jim Golembeski, Mark Kessenich, and Steve Mercaitis.

COUNCIL STAFF PRESENT: Scott Grosz and Jessica Karls, Staff Attorneys.

APPEARANCE: Roberta Gassman, Secretary, Department of Workforce Development (DWD).

Approval of the Minutes of the Committee's January 22, 2009 Meeting

Chair Strachota noted that due to a lack of a quorum, the minutes for the January 22, 2009 meeting could not be approved.

<p>* ATTENTION: This was the final meeting of the Special Committee on Building Wisconsin's Workforce. Committee members are requested to send any corrections regarding these Minutes to the Legislative Council staff. After the incorporation of any corrections, these Minutes will be considered approved by the committee.</p>

Presentation by Invited Speaker

Secretary Roberta Gassman, DWD

Secretary Gassman updated the committee on the economy and workforce challenges and provided an overview of the workforce initiatives in the federal American Recovery and Reinvestment Act of 2009 (ARRA).

Secretary Gassman described the unemployment rate in Wisconsin, which increased to 8.8% in February, 2009. DWD has seen increases in unemployment insurance (UI) claims and increases in the number of plant closings and mass layoffs. Secretary Gassman noted that DWD has received 100 notices of plant closings or mass layoffs since January 2009. She also noted that the weekly initial UI claims increased substantially at the end of 2008.

Secretary Gassman then described the workforce challenges in Wisconsin. She indicated that the growth of the labor force is not keeping up with the aging population in the state and that, despite the current economy, the state will face labor shortage challenges. She described the current workforce, highlighting the fact that 40% of the workforce has a high school diploma or less. She provided an overview of Governor Doyle's workforce agenda.

Lastly, Secretary Gassman described the workforce initiatives in the ARRA. She highlighted the role that the Job Center of Wisconsin website will have in assisting recovery. She noted that the ARRA provides additional funding under the Workforce Investment Act and that the funding will be distributed to regional workforce development boards. She described the guidance that DWD has received from the federal Department of Labor (DOL) in implementing the ARRA, including encouraging the use of job banks, using economic regions or sectors, and timely spending, transparency, and accountability.

Secretary Gassman described the UI provisions in the ARRA, including benefits extension, increase of \$25 in weekly benefits, federal payment of extended benefits, and UI modernization. She noted that Wisconsin can already satisfy the requirements to receive 1/3 of the UI modernization funding but that changes to state law would be required to receive the remaining 2/3 of the funding. She also described the additional funding for vocational rehabilitation, the competitive grants available through DOL, and the federal Department of Energy funding for electricity delivery and energy reliability.

Secretary Gassman responded to questions from committee members. Chair Strachota noted that the committee asked the Co-Chairs of the Joint Committee on Audit to request an audit of workforce development programs.

Discussion of Committee Assignment

LRB-2024/P3, relating to a lifelong learning accounts program and creating income tax modifications and an income tax credit for contributions and withdrawals related to lifelong learning accounts, providing an exemption from rule-making procedures, and requiring the exercise of rule-making authority.

Scott Grosz and Jessica Karls explained LRB-2024/P3, relating to a lifelong learning accounts program and creating income tax modifications and an income tax credit for contributions and withdrawals related to lifelong learning accounts, providing an exemption from rule-making procedures, and requiring the exercise of the rule-making authority. Committee members discussed the bill draft and an amendment to the bill draft that would clarify that an employer participating in a lifelong learning accounts program who makes matching contributions must make an identical pro-rata match for all participating employees.

Ms. Warmuth stated that some employers are moving in the direction of targeting low-income employees for education, instead of treating all employees the same.

Mr. Thillman noted that the lifelong learning accounts program appears to be modeled after a 401k.

Mr. Keckhaver questioned whether the limits in the bill draft would act as a barrier for some employers.

Mr. Thillman explained that an employee can determine what education he or she pays for under the bill draft and that, as such, the bill draft includes employee freedom to change career paths.

Representative Hintz suggested that an additional incentive may need to be included for low-wage employees.

Ms. Warmuth noted that the bill draft should be attractive to employers and that one of the biggest obstacles for the bill draft may be the cost in lost revenue.

Mr. Thillman stated that increased earnings and productivity will result because of the additional education for employees and that the increased earnings and productivity may not be reflected in a fiscal estimate.

Representative Hintz indicated that it would be beneficial to get information on the effects that the lifelong learning accounts program has on employee advancement.

Other Business

Chair Strachota indicated that a revised bill draft that incorporated the amendment would be submitted to committee members for their vote by mail ballot.

Adjournment

The meeting was adjourned at 12:00 p.m.

JK:ksm