

# Work and Economic Support E-Newsletter

*A Monthly Summary of Developments Impacting Wisconsin's Workers and Employers*

August 4, 2008

## **Wisconsin Council on Children and Families**

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Feel free to forward this e-newsletter to other interested parties, and encourage them to sign up for this and/or other WCCF e-newsletter lists at <http://capwiz.com/wccf/mlm/signup/>. You can contact the author, John Keckhaver, directly at [jkeckhaver@wccf.org](mailto:jkeckhaver@wccf.org) and ext. 305.

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In this issue:

1. Wisconsin Job Center Changes Underway
  2. Federal Higher Education Act Passed
  3. Job Losses Mount
  4. Paid Sick Leave Heads to the Ballot in Milwaukee
  5. "Sector" Workforce Approach Receives Congressional Attention for First Time
  6. Housing and Foreclosure News: New Fed Rules and a Foreclosure Rescue Bill
  7. Legislative Council Study Committee on "Building Wisconsin's Workforce" Begins *its* Work
  8. New Hampshire the Latest to Cap Payday Loan Rates
  9. Recent News
  10. Other Reading and Resources
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## **1. Wisconsin Job Center Changes Underway**

On July 8<sup>th</sup>, the Department of Workforce Development (DWD) presented testimony at a legislative informational hearing in support of its plan to consolidate Job Service and Veterans employment staff to fewer Job Center locations. The moves were prompted by federal Job Service funding cuts over a number of years as well as changes in technology which, according to DWD, allow it to invest in web-based technologies resulting in lower outlays associated with buildings, phone lines and other overhead costs.

The Department received feedback – in some cases strong opposition – to its plans since the story first broke in the Wisconsin State Journal. Arguments against the changes have included the fact that many individuals, particularly unemployed or low-skilled individuals, will not have access to web-based assistance like the "Virtual Job Center" talked about by the Department. Secondly, Job Service-funded personnel are a primary tenant at many of the Job Centers, and there are now concerns about maintaining those centers given their departure.

For the Department's most recent statement on the developments, click here:

[http://dwd.wisconsin.gov/dwd/newsreleases/2008/0723\\_job\\_service\\_op\\_ed.pdf](http://dwd.wisconsin.gov/dwd/newsreleases/2008/0723_job_service_op_ed.pdf)

To view the hearing on WisconsinEye, the legislative video program, click on the link below and scroll down to the July 8<sup>th</sup> Senate Committee on Labor, Elections, and Urban Affairs.

[http://www.wiseye.org/wisEye\\_programming/ARCHIVES-committees.html](http://www.wiseye.org/wisEye_programming/ARCHIVES-committees.html)

## **2. Federal Higher Education Act Passed**

Last week, Congress passed an update, with some significant changes, to the Higher Education Act. Among other reforms, Pell Grants will soon be available year-round (an important improvement for many low-income working students who do not enroll on the traditional fall or spring semester schedule), greater transparency of college costs, and more disclosure of colleges' relationships with lenders. The President is expected to sign the bill. Check out this New York Times article for more on the development.

[http://www.nytimes.com/2008/08/01/education/01education.html?\\_r=1&ref=education&oref=slogin](http://www.nytimes.com/2008/08/01/education/01education.html?_r=1&ref=education&oref=slogin)

## **3. Job Losses Mount**

So far in 2008, 463,000 jobs have been lost nationwide. The national unemployment rate is the highest its been in four years – at 5.7 percent. Wisconsin has not been immune to these troubles, with frequent news stories of plant closings and layoffs. GM is only one recent example of an employer significantly downsizing in Wisconsin, though the unemployment rate here – 4.9 percent – stands well below the national rate. For a take on the national jobs scene and the rising unemployment rate from the Washington Post, click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2008/08/01/AR2008080100920.html>

## **4. Paid Sick Leave Heads to the Ballot in Milwaukee**

Through a rarely utilized state “direct legislation” law, a number of groups in Milwaukee have successfully put a paid sick leave measure on the fall ballot there. Click on the link below for a description of how this came about and what it might mean for workers and employers in Milwaukee.

<http://www.jsonline.com/story/index.aspx?id=779369>

## **5. “Sector” Workforce Approach Receives Congressional Attention for First Time**

Sector partnerships – collaboration by a range of public and private actors in the workforce development system as a way to meet workforce needs of employees and workers in a specific area and in a specific industry – have been functioning in various places around the country for some time. A bill recently introduced by Senators Brown (D-OH) and Snowe (R-ME) would offer funding through the Workforce Investment Act for sector partnerships that create customized training needed by workers in order to tap into jobs available with local employers in critical industries. For a description of the bill, as well as background information on this proven workforce development approach, click here:

[http://www.kintera.org/cms.asp?id=615778&campaign\\_id=91030&tr=y&enString=x&auid=3867657](http://www.kintera.org/cms.asp?id=615778&campaign_id=91030&tr=y&enString=x&auid=3867657)

## **6. Housing and Foreclosure News: New Fed Rules and a Foreclosure Rescue Bill**

The past month has been a busy one in the area of housing lending policy and foreclosure developments. The Federal Reserve has introduced new rules designed to protect consumers from shady lending practices. Click on the link below for a brief description of the new rules and their potential impact on consumers.

<http://www.federalreserve.gov/newsevents/press/bcreg/20080714a.htm>

Also, last Wednesday President Bush signed the first significant federal legislative action aimed at the foreclosure crisis – a law which will offer help to the millions still in danger of losing their homes in the coming months and which also authorizes the Treasury Department to rescue two of the nation’s largest mortgage lenders, Freddie Mac and Fannie Mae if need be. For a description of these developments, click here:

[http://www.nytimes.com/2008/07/31/business/31housing.html?\\_r=1&scp=1&sq=Housing%20Rescue%20Bill&st=cse&oref=slogin](http://www.nytimes.com/2008/07/31/business/31housing.html?_r=1&scp=1&sq=Housing%20Rescue%20Bill&st=cse&oref=slogin)

## **7. Legislative Council Study Committee on “Building Wisconsin’s Workforce” Begins *Its* Work**

To keep tabs on the work of the study committee currently meeting to find solutions to the state’s skilled worker shortages, click on the link below. At this website you can find meeting minutes along with links to any materials presented to the committee.

At the committee’s first meeting on July 21<sup>st</sup>, members heard about the changing demographics and economic realities which have led to serious skilled worker shortages in a number of key industries in the state. The committee’s next meeting will take place on August 18<sup>th</sup> and will include presentations from the state’s education and training institutions, including the University of Wisconsin and the Technical College System.

<http://www.legis.state.wi.us/lc/committees/study/2008/WORK/index.htm>

## **8. New Hampshire the Latest to Cap Payday Loan Rates**

In July the Governor of New Hampshire signed into law a 36 percent interest rate cap on car-title and payday loans. Such caps have been found to be the only effective way of reducing reliance on these high cost loans which so often ensnare borrowers in a cycle of growing debt. The Granite State joins 14 other states and the District of Columbia in capping rates at or close to 36 percent.

For the report, “Springing the Debt Trap: Measures Short of an Interest Rate Cap Fail to Fix Payday Lending Problem” and links to other research on payday loans and their impact, click here:

<http://www.responsiblelending.org/issues/payday/reports/springing-the-debt-trap.html>

## **9. Recent News**

Hangar Tariff Revives Wisconsin Firm (An interesting look at how global trade issues impact hiring and layoffs in Wisconsin)

Milwaukee Journal Sentinel

<http://www.jsonline.com/story/index.aspx?id=766947>

A Race for Knowledge (editorial on tech ranking report and its implications)

Milwaukee Journal Sentinel

<http://www.jsonline.com/story/index.aspx?id=766891>

Top Employers List Reflects Changes in Area’s Economy

LaCrosse Tribune

<http://www.lacrossetribune.com/articles/2008/06/29/news/01lead.txt>

College Readiness Project Launched  
Wisconsin State Journal  
<http://www.madison.com/wsj/home/local/294022>

Changed Lives: Students who Find New Prospects through Tech College's Machining Course Show What is Key in Wisconsin's Manufacturing Economy – Adaptation  
Milwaukee Journal Sentinel  
<http://www.jsonline.com/story/index.aspx?id=776442>

Workers Struggle to Navigate Layoffs, Uncertainty in Tumultuous Economy  
Milwaukee Journal Sentinel  
<http://www.jsonline.com/story/index.aspx?id=774782>

Green Bay Task Force Tries to Tackle Homeless Problem  
Green Bay Press Gazette  
<http://www.greenbaypressgazette.com/apps/pbcs.dll/article?AID=/20080730/GPG0101/807300730/1978b>

## **10. Other Reading and Resources**

Reexamining (Part of) Wisconsin's Approach to Assisting the Unemployed: Are We Due for Changes in W-2?  
WCCF WisKids Journal Article  
<http://www.wccf.org/wkj/808/story3.html>

Why the United States Needs an Improved Measure of Poverty  
Rebecca Blank, Brookings Institution – Testimony to Subcommittee on Income Security and Family Support of the House Committee on Ways and Means  
[http://www.brookings.edu/testimony/2008/0717\\_poverty\\_blank.aspx?emc=lm&m=217052&l=41&v=17865](http://www.brookings.edu/testimony/2008/0717_poverty_blank.aspx?emc=lm&m=217052&l=41&v=17865)