

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

OFFICE OF THE SECRETARY

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A

February 5, 2001

The Honorable Marlin Schneider
204 North, State Capitol
PO Box 7882
Madison, WI 53707-7882

Dear Representative Schneider:

I am writing to provide you with information, as the author of 2001 Assembly Bill 76, regarding the potential fiscal impact of this legislation. If signed into law, the State of Wisconsin is at risk of losing approximately \$380 million annually in federal Child Support and Temporary Assistance for Needy Families (TANF) funding.

Assembly Bill 76 would repeal the requirement, enacted as a part of 1997 Wisconsin Act 191, that applicants for hunting and fishing licenses provide their social security number on their application. Wisconsin enacted this law to comply with the requirements of the Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. That law required states to enact legislation providing that applicants for professional, occupational, marriage, and driver's licenses submit their social security number on the application. The federal Balanced Budget Act of 1997 amended PRWORA to also require the collection of social security numbers on applications for recreational licenses.

This legislation was enacted to aid in the collection of child support by matching the social security numbers of license applicants with the social security numbers maintained by this Department for individuals who owe child support. Nearly \$1.9 billion in unpaid child support is owed to Wisconsin children.

While we understand the concerns of hunters and fishermen, failure to comply with federal requirements puts the State of Wisconsin out of compliance with federal program requirements and could subject the State to the loss of both our Child Support and TANF Block Grant funding. The Department of Natural Resources has made a significant effort to protect the confidentiality of information provided by license applicants. An applicant for a hunting or fishing license need only provide their social security number once. At that time, they are issued a unique customer identification number which they may use in the future in lieu of the social security number.

I hope this information is helpful in understanding the department's concerns regarding AB 76. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Studesville'.

Larry Studesville
Executive Assistant

Cc: Senator Brian Burke, Co-Chair, Joint Committee on Finance
Representative John Gard, Co-Chair, Joint Committee on Finance

SEC-7792-E (R. 09/2000)

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Joint Audit Co-Chair
State Capitol, Room 118 S.
PO Box 7882
Madison, WI 53707-7882

The Honorable Brian Burke
Joint Finance Co-Chair
State Capitol, Room 316 S.
PO Box 7882
Madison, WI 53707-7882

The Honorable Joseph Leibham
Joint Audit Co-Chair
State Capitol, 123 W
PO Box 8952
Madison, WI 53708

The Honorable John Gard
Joint Finance Co-Chair
State Capitol, 315 North
PO Box 8952
Madison, WI 53708

Dear Senator George, Representative Leibham, Senator Burke, and Representative Gard:

In November 2000 the Legislative Audit Bureau (LAB) issued a report on the Division of Vocational Rehabilitation (DVR). This audit report contained a series of recommendations for improvements in the DVR program.

The report requested the Department of Workforce Development to report to the Joint Committee on Audit on March 1, 2001 and quarterly thereafter with respect to its progress in addressing the issues discussed in the report. In addition, the Joint Committee on Finance approved a motion on December 19, 2000 requiring the Department to submit a report on the development, implementation and assessment of vocational rehabilitation policies and procedures. This report is the first of the required quarterly reports to both Committees.

We are very pleased to take this opportunity to report that a great deal of progress has been made in addressing the recommendations made by the LAB.

However, before reviewing the specific programmatic and financial issues raised in the LAB report, and what has been done about them, I would like to outline a number of related major developments affecting the Division of Vocational Rehabilitation and its consumers.

The first of these is that at the time the LAB issued its DVR report in November, the DWD convened a "Strategic Reform Task Force" to assist the department in evaluating and responding to the LAB report. The task force also was asked to make additional recommendations with regard to needed improvements in the DVR program.

The task force membership was comprised of 36 individuals with various backgrounds including vocational rehabilitation educators, job center managers, advocacy group representatives, DVR consumers, financial experts, professional management consultants, and others. (A full list of members of the DVR task force is provided in addendum A).

February 27, 2001

The professional members of the task force devoted hundreds of hours to analyzing the issues raised in the LAB report. In addition they conducted a comprehensive search for other ways to improve the DVR program for its clients.

As a result of this intensive review, the task force made a series of sweeping recommendations for change in the DVR program. These recommendations are discussed in the following section of this report.

The next major development in the DVR program was the approval of our request for \$500,000 in emergency General Purpose Revenue (GPR) funds at the December s.13.10 meeting of the Joint Committee on Finance.

This infusion of GPR funding enabled the DVR to access an additional \$1.8 million dollars in federal funds.

These combined funds have been utilized to activate about 2,500 cases in the DVR program since January 1st, 2001.

At this time the entire Category One waiting list has been activated and approximately one seventh of the persons in Category Two have had their cases activated and are no longer on the waiting list.

We plan to move as aggressively as possible to activate additional cases consistent with fiscal capacity and other related program management considerations.

In summarizing the first part of this report:

- \$500,000 in emergency GPR funds has been obtained from a s.13.10 meeting of the Joint Committee on Finance in December.
- These funds have permitted the Department to access an additional \$1.8 million dollars in federal funds.
- The combined funds have allowed the department to activate approximately 2,500 cases for the DVR program.
- The department and the DVR will continue to activate cases as aggressively as possible consistent with prudent fiscal management and program management capacity.

Now let me turn to the substantial progress the DVR is making in implementing the recommendations of the LAB and the "Strategic Reform Task Force".

We are grateful to both the LAB and the task force for the excellent recommendations each has made to assist us in implementing program improvements.

In order to be sure that we are addressing all of the recommendations of both the task force and LAB, we have formed seven work groups. These work groups, and the respective LAB issues they will be dealing with, are outlined below.

1. Program Funds Allocation Formula Work Group.

This work group is developing a new formula for distributing funds more equitably among local field office staff. In developing this new formula the work group is taking into

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consideration all relevant factors - economic, demographic, and others - which should play a role in determining fund allocation. A new formula will be ready for implementation on July 1, 2001.

2. Training Program Work Group.

The training program work group is charged with the responsibility of developing a comprehensive new training program for DVR employees.

Several issues identified in the LAB report can be satisfactorily corrected through an effective training program.

For example, the LAB report identified that in some instances people with similar disabilities were receiving different kinds of assistance, at inconsistent costs, among the 21 DVR districts.

We believe that an effective training program giving counselors the opportunity to share "best practices" across districts and to disseminate information on developing consistent rehabilitation strategies will substantially reduce this difference in case management practices.

Other instances where inconsistent practices were observed between the various districts in the DVR program will also be addressed through the development of this training program.

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This work group will undertake a comprehensive review of third party contracts in the DVR program.

In general, our objective is to reduce investment in third party contracts from about \$8 million dollars per annum at present, to about \$2 million dollars by July 2002. The work group will ensure the remaining contracts will be rewritten to include more definitive performance criteria and that these will be strictly monitored for compliance and results.

The Internal Audit Office at DWD will run periodic evaluations of third party contracts in order to ensure compliance with these new standards.

4. The Counselor Recruitment and Retention Work Group

The LAB report accurately noted that recruitment and retention of qualified vocational rehabilitation counselors is becoming more difficult.

This is consistent with general difficulties other state vocational rehabilitation (VR) programs and many Wisconsin businesses are experiencing as a result of worker and professional worker shortages.

The Counselor Recruitment and Retention Work Group is responsible for developing a complete program to address the myriad factors associated with the difficulty of recruiting and retaining counselors.

The work group has already identified several new strategies for recruiting qualified counselors and it is working on a series of new programs to retain counselors at the DVR.

Substantial progress has been made in this regard. At the time of the LAB report, there were about 26 counselor vacancies at the DVR. At this time, there are only 14 vacancies remaining.

Prospects for substantially decreasing the vacancy rate within the next several months are good. In addition, the DVR is exploring the possibility of utilizing the experience and skills of retired counselors on a limited term employment (LTE) basis. As reported earlier, filling the vacant counselor positions along with the emergency funds from the s.13.10 meeting of the Joint Committee on Finance has facilitated the activation of over 2,500 new cases for the DVR.

5. Internal Audit Function Work Group.

This group will identify necessary actions to ensure that newly developed practices such as the funds distribution formula are actually achieving their objectives.

For example, once the new formula for distributing program money equitably among the 21 DVR districts is developed and implemented, the internal audit function will check regularly to ensure that the formula is actually working.

Similarly, as other improvements in the DVR program resulting from the task force or LAB report are implemented, the internal audit unit will check on a regular basis to make sure they are accomplishing their respective objectives.

As another example, the internal audit program will check frequently to determine that rehabilitation strategies for similar disabilities among all districts are uniform and that the costs of these strategies among districts are consistent.

6. Individualized Program Employment Development in Case Management Practices Work Group.

This work group is comprehensively evaluating the entire case management process at the DVR.

This work group will identify new practices that can be included in the case management process at the DVR in order to improve client services and the number of successful rehabilitation outcomes. The development of individualized plans for employment and the case management system, are critical elements in the success of the DVR program. This work group will incorporate new software, training, communication techniques, sophisticated rehabilitation strategy development models, and other innovations in order to make this system as effective as possible.

This group is looking at how best to collect necessary receipts for services purchased directly by program participants.

February 27, 2001

7. Forecasting and Finance Work Group.

One of the most complex aspects of the DVR program is the process for admitting new clients to active program status.

The forecasting and finance work group has been in the process of developing a sophisticated new forecasting tool to assist the department in admitting new clients to the program on a sound and rational basis.

This new forecasting tool is a combination of financial analysis, determining existing client management capacity and identifying individual client cost factors.

The department has already taken steps to integrate four separate financial systems into one to facilitate better forecasting for the DVR program. This has enabled the department to have access to substantially improved financial information when making client admission determinations.

More refinement of this forecasting tool will continue to occur over time.

We are conducting an evaluation of the LAB recommendation to place 20% of available program funds in reserve as a safeguard against possible funding shortages. Our preliminary analysis indicates that improved financial systems at DWD and the more sophisticated forecasting tool we have developed will be sufficient to prevent future funding difficulties.

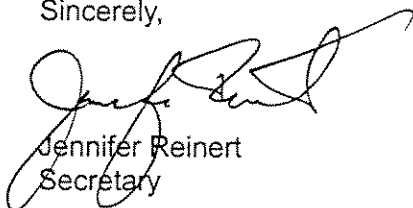
The seven work groups described above encompass all recommendations from the LAB and the task force.

A substantial amount of progress has already been made in each of the areas described above. Over the next weeks and months, these work groups will synthesize their respective activities and analysis into improved program management for the DVR and will have addressed all issues identified in the LAB report and the task force.

I am very pleased to report that we are moving aggressively forward on a significant number of projects which are designed not only to comprehensively address all of the issues raised in the LAB report but to create a DVR program that is second to none in the nation in providing the very best possible services to the clients we value so much. We will continue to report on our progress on a quarterly basis to both the Joint Committee on Audit and the Joint Committee on Finance. Thank you for your help and support in this important effort.

A table showing projected revenues, expenses, and program participants is included in addendum B.

Sincerely,



Jennifer Reinert
Secretary

Enclosures

DVR TASK FORCE MEMBERSHIP

Addendum A

1. Citizen Participants

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2. Representatives of Advocacy Groups of People with Disabilities

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3. Managers and Employees of DVR

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Kevin Myren, Financial Management Expert
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5. Educators and Counselors in the field of Vocational Rehabilitation

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Tom Modahl (Former Director, UW Stout Vocational Rehabilitation Institute)
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Tom Heffron
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6. Job Center Managers

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knutsd@dwd.state.wi.us

7. Private Business Representatives

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Wisconsin Manufacturers & Commerce
501 E. Washington Ave.
Madison, WI 53703
Phone: 608/661-6911
Fax: 608/258-3413
jmetcalf@wmc.org

Jackie Philpott, Director
Catalyst Home Care
222 N. Midvale Blvd
Madison, WI 53705
Phone: 608/238-8119
FAX: 608/238-8803

8. Representatives of Sister State Agencies, whose programs relate to those of DVR

Pat Mommaerts, Director
Job Seekers Bureau, DWD
201 E. Washington Ave., Room 203
Madison, WI 53703
Phone: 608/266-8212
Fax: 608/267-2392
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9. Other Stakeholders

Bob Stuva
Rehabilitation for Wisconsin
4785 Hayes Rd.
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Wayne Corey
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wcorey@wibiz.org

Dale Hopkins
Workforce Development Board of South Central Wisconsin
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10. Observers/Technical Assistance

Greg Smith
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FAX: 608/267-7952

Judi Page
DWD, ASD/BITS
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Tom Smith
DWD, ASD
Phone: 608/266-7895
FAX: 608/267-3757

Wanda Jones
DWD, ASD
Phone: 608/266-0414
FAX: 608/261-7979

Patti Shaw
DVR – Milwaukee SE
Phone: 414/769-5707
FAX: 414/769-5725

John Conway
DVR - CO

Enid Glenn
DVR - South Central

Suzanne Lee
DVR - CO

Addendum B

The department's current estimate of available revenues for discretionary case aids is \$29,614,000 (all funds). This estimate includes the funding approved by the Joint Committee on Finance at the December s.13.10 meeting. Through January of 2001, 52.3% of these funds have been obligated (expended and encumbered) for case service activity.

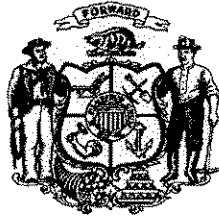
In January, the department began activating all of the approximately 1,600 individuals on the Category 1 waiting list. We are also currently immediately activating all new clients that qualify as Category 1 as they apply, and have activated an additional 400 cases on the Category 2 waiting list.

We will continue to assess the financial picture to determine how many additional cases we can activate each month, focusing on the most significantly disabled, with an eye towards the maximum sustainable number of clients the program and resources can support. This will also be determined, in part, by actions taken by the legislature in consideration of the Governor's biennial budget recommendations to provide an additional \$1.5 million in GPR funding in each year of the next biennium.

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: March 1, 2001

Re: Quarterly DWD Report on Vocational Rehabilitation

Attached please find a copy of a quarterly report from the Department of Workforce Development on the development, implementation and assessment of vocational rehabilitation policies and procedures.

No action is required by the Committee. The report is for your information only. Please feel free to contact us should you have any questions.

Attachment

BB:JG:js

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Secretary



State of Wisconsin

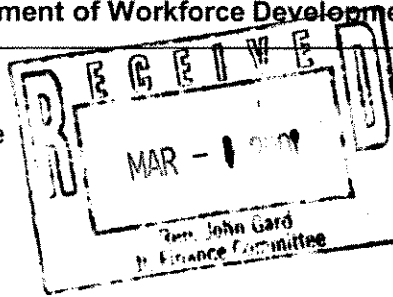
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February 27, 2001

7. Forecasting and Finance Work Group.

One of the most complex aspects of the DVR program is the process for admitting new clients to active program status.

The forecasting and finance work group has been in the process of developing a sophisticated new forecasting tool to assist the department in admitting new clients to the program on a sound and rational basis.

This new forecasting tool is a combination of financial analysis, determining existing client management capacity and identifying individual client cost factors.

The department has already taken steps to integrate four separate financial systems into one to facilitate better forecasting for the DVR program. This has enabled the department to have access to substantially improved financial information when making client admission determinations.

More refinement of this forecasting tool will continue to occur over time.

We are conducting an evaluation of the LAB recommendation to place 20% of available program funds in reserve as a safeguard against possible funding shortages. Our preliminary analysis indicates that improved financial systems at DWD and the more sophisticated forecasting tool we have developed will be sufficient to prevent future funding difficulties.

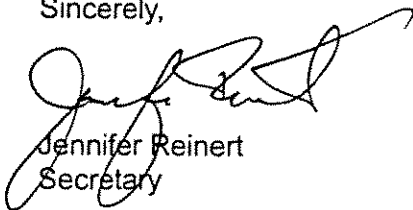
The seven work groups described above encompass all recommendations from the LAB and the task force.

A substantial amount of progress has already been made in each of the areas described above. Over the next weeks and months, these work groups will synthesize their respective activities and analysis into improved program management for the DVR and will have addressed all issues identified in the LAB report and the task force.

I am very pleased to report that we are moving aggressively forward on a significant number of projects which are designed not only to comprehensively address all of the issues raised in the LAB report but to create a DVR program that is second to none in the nation in providing the very best possible services to the clients we value so much. We will continue to report on our progress on a quarterly basis to both the Joint Committee on Audit and the Joint Committee on Finance. Thank you for your help and support in this important effort.

A table showing projected revenues, expenses, and program participants is included in addendum B.

Sincerely,



Jennifer Reinert
Secretary

Enclosures

DVR TASK FORCE MEMBERSHIP

Addendum A

1. Citizen Participants

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DVR - CO

Enid Glenn
DVR - South Central

Suzanne Lee
DVR - CO

Addendum B

The department's current estimate of available revenues for discretionary case aids is \$29,614,000 (all funds). This estimate includes the funding approved by the Joint Committee on Finance at the December s.13.10 meeting. Through January of 2001, 52.3% of these funds have been obligated (expended and encumbered) for case service activity.

In January, the department began activating all of the approximately 1,600 individuals on the Category 1 waiting list. We are also currently immediately activating all new clients that qualify as Category 1 as they apply, and have activated an additional 400 cases on the Category 2 waiting list.

We will continue to assess the financial picture to determine how many additional cases we can activate each month, focusing on the most significantly disabled, with an eye towards the maximum sustainable number of clients the program and resources can support. This will also be determined, in part, by actions taken by the legislature in consideration of the Governor's biennial budget recommendations to provide an additional \$1.5 million in GPR funding in each year of the next biennium.

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

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March 1, 2001

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Department of Workforce Development is submitting this report, required by Joint Finance Motion 5010 adopted at the December 21, 1999 s.13.10 meeting, for the Workforce Attachment and Advancement (WAA) program.

The motion directed DWD to develop a methodology to track the impact of the WAA program on participants' earnings. The motion further directed DWD to submit a report on that methodology by March 1, 2000. DWD submitted a paper on February 29, 2000 that included an analysis of the data sources that could be used for this measure.

The motion also required DWD to submit this second report, including information gathered on the earnings measure, by March 1, 2001. The attached report provides information on the methodology for the earnings measure, information on the WAA caseload, the work plan for implementing the WAA performance standards, and qualitative information on the program.

If you have any questions on the information in the attached paper please contact Jennifer Noyes, Administrator, Division of Workforce Solutions, at 266-3035.

Sincerely,

Jennifer Reinert
Secretary

Attachment

cc: Jennifer Noyes, DWS
Kimberly Markham, SO
Mary Rowin, DWS
Ron Hunt, DWS
Thomas Smith, ASD
Robert Blaine, DOA Budget Office
Victoria Carreon, Legislative Fiscal Bureau

March 1, 2001

WORKFORCE ATTACHMENT AND ADVANCEMENT (WAA) PROGRAM REPORT TO JOINT COMMITTEE ON FINANCE

This report summarizes information on the Workforce Attachment and Advancement (WAA) program, and is being submitted to the Joint Committee on Finance by the Department of Workforce Development (DWD). Joint Finance Motion 5010, adopted on December 21, 1999, required:

- That DWD develop a methodology to track the impact of WAA on participants' earnings.
- That DWD submit that methodology to the Joint Committee on Finance by March 1, 2000.
- That DWD submit a report to the Joint Committee on Finance by March 1, 2001 which includes information gathered by the Department regarding these performance measures.

DWD submitted the required report on methodology in a February 29, 2000 letter from Secretary Linda Stewart to Senator Brian Burke and Representative John Gard. That letter included an analysis of the potential data sources the Department could use to measure the earnings impact. The letter also listed the information that DWD would provide in this March 1, 2001 report. In accordance with the letter, this report includes a description of WAA caseload, program services provided, and the Department's progress in implementing the methodology to track the program's impact on participants' earnings.

The report provides a description of the work plan for developing and implementing the performance standards established in 1999 Wisconsin Act 9. Finally, this report provides qualitative information on the impact on the program, including program success stories and services to employers.

Background

1999 Wisconsin Act 9 established the WAA program as a two-year program, with a contract from January 2000 through December 2001. The program, funded through the Temporary Assistance for Needy Families (TANF) block grant, allocates \$19.7 million to Workforce Development Boards (WDBs) and Wisconsin Works (W-2) Agencies to provide services to TANF-eligible custodial and noncustodial parents (NCPs) with incomes below 200 percent of the federal poverty level. Based on expenditure information reported in the fourth quarter of calendar year 2000, most agencies will have spent their WAA allocation by the end of the contract period.

The WAA program provides the following services: training to incumbent workers, job retention services, services to employers, job readiness and placement, and basic skills development. WAA participant information and performance standards are tracked on the Client Assistance for Re-employment and Economic Support System (CARES).

WAA Report

Page 1

DRAFT

The performance standards for WAA are job placement, job retention rates, increased earnings and increased child support collections for noncustodial parent (NCP) participants.

Program Innovations

The WAA program has several unique features. First, the program offers a broad range of services and a flexible structure for delivering those services. At the local level, the program is delivered through both W-2 agencies and WDBs, and these agencies have worked closely to coordinate service delivery, and in some cases to deliver services jointly.

The WAA program is also innovative in that it unifies the workforce development and welfare systems. According to a recent study by the Corporation for a Skilled Workforce, workforce development and welfare systems continue to operate distinctly from one another in many parts of the Midwest. In Wisconsin, the WAA program brings these two entities together at the state and local levels. Through the WAA program, the workforce development system and the welfare system work together to increase the number of low-income participants in the workforce and to ensure that participants remain in self-supporting jobs.

DWD has actively encouraged the coordination between workforce development and economic support programs. The W-2 program, for example, operates through the Job Center system. The WAA program has further advanced this joint planning. The recent merger between the Divisions of Economic Support and Workforce Excellence represents a new and major step in DWD's efforts to integrate low-income workers into Wisconsin's workforce development system.

Another important feature of WAA is the employer services component. WAA provides the flexibility to meet local employers' needs for skilled employees by developing and providing job-specific training and skills development, also known as "incumbent work training." WAA providers tailor services to meet employers' specific needs. This combination of working with both employers and their employees is key to addressing the statewide shortage of skilled labor.

The final, and perhaps most important, feature of the WAA program is the focus on advancement and retention. Many other programs have job placement as their primary outcome, and they are limited in the amount of services they provide once a person begins working. WAA, however, complements existing programs by fulfilling the critical need of assisting participants in retaining their jobs, and in advancing to higher-wage positions.

Retention and Advancement

This focus on retention and job advancement through the WAA program represents a shift in the focus of welfare reform efforts. Much emphasis has been placed on the success of Wisconsin's W-2 program in moving former welfare recipients into the labor

market. The focus now has shifted to labor market stability for these former recipients, now members of the workforce. Wisconsin, a leader in welfare reform innovations, has again been at the forefront of this shift in developing the WAA program. In a draft paper for DWD on the future of welfare reform, Thomas Corbett, from the UW-Madison Institute for Research on Poverty, writes:

“The next stage of welfare reform, we suggest, will involve a shift in focus from the nonworking poor to the working poor. TANF in general, and W-2 in particular, has been successful in achieving its nominal goals of reducing dependence on cash assistance and increasing labor force participation of heads of low-income families with children. Attention both inside and outside of Wisconsin is now shifting toward an optimal experience in the labor market as a way to improve the economic well-being of these families and as a way to improve how these families function.”¹

W-2 agencies have helped many participants transition to employment. However, as Corbett points out, many studies of participants who have made this transition have arrived at these conclusions: “getting into the labor market is not the same as staying in the labor market . . . and getting a job is not equivalent to achieving economic well-being or security.” Many recent entrants into the labor market need support to maintain their employment and additional services to advance to higher wages.

There is a clear need for WAA services to be provided by the Department. The services available through the WAA program assist low-income families and NCPs in retaining jobs and in moving to higher-paying positions. WAA is critical to ensuring that former W-2 participants and low-income families move from welfare to stable employment and become self-sufficient.

The WAA program offers services not available through existing programs. The Welfare-to-Work (WtW) program also provides employment and training services for the low-income population. WtW is a federal program that allocates funds to WDBs to serve long-term TANF participants and NCPs of children receiving assistance. WtW providers, however, have not been successful in serving the large number of families in need of these services due to the strict federal requirements for eligibility and the requirements for matching funds, which the state passed to the local agencies.

Success Stories and Employer Services

Many WAA program plans included creative options for providing training, retention services, and services to employers. In addition to the performance standards for individual participants, agencies track services to groups and employers through a quarterly report. Following are examples of employer services and success stories for the WAA program.

¹ “From Work to Work Support: The Next Stage of Welfare Reform,” Thomas Corbett, with the assistance of Rachel Weber. Institute for Research on Poverty, University of Wisconsin-Madison. Unpublished.

Innovative Employer Services

- **W-2 Southwest Consortium:** Iowa County developed a forklift certification training program that helped employers comply with state requirements, as well as provided WAA clients with marketable skills. Grant County Works' WAA program funded skills training for customer service positions at CompCare Blue, as well as stress management "Lunch and Learn" sessions for employees. Grant also sponsored a Supervisory Development Training series for employers with a mostly TANF-eligible workforce, focusing on the unique issues of the TANF-eligible population.
- **Shawano Job Center:** Shawano has provided on-going employer services, including a series of workshops, such as Inclusive Interviewing Techniques, Team Dynamics, Communicating Corporate Culture to New Employees, and many others. The participating employers commented that they are better able to understand the TANF-eligible population and the issues they encounter. Shawano County is now focusing on serving the TANF-eligible employees within the employers' workforces.
- **Dane County:** WAA funds an Occupational Skills Instructor who works directly with employers to develop training curriculum for entry-level positions. The training is then offered to TANF-eligible individuals. This program helps participants obtain meaningful training to boost their skills in needed areas. The types of training offered include Customer service/Bank Teller Training, Math for Work, Business Writing and Computer Basics.
- **Marathon County:** WAA assisted an employer with recruitment, retention and orientation as part of the employer's plan to add 60 or more positions at starting wages from \$9.57 to \$11.50/hour. WAA offered intensive consultation to management (from CEO through supervisors) on effectively incorporating Southeast Asian employees into an existing workforce with little racial/ethnic diversity. The project is still operating, and approximately 50 employees were hired and retained 60 days or more.

WAA Participant Success Stories

- **Trempealeau County:** Western Dairyland worked with a man who could no longer maintain his employment as a logger due to a health condition. He was referred to DVR and in coordination was enrolled in truck driving school. He graduated and obtained employment with an annual salary of \$40,000.
- **Douglas County:** Northwest Wisconsin CEP worked with a young mother of three, referred by the W-2 program. At the time of referral to NWCEP she had 6 months of sobriety. NWCEP assisted by writing an on-the-job training contract, working in a green house, which offered her a living wage and benefits. The job fit her well, and she is now an excellent supervisor, as well as a good role model.

- **YW-Works:** YW-Works served a noncustodial parent Probation and Parole client, from the Department of Corrections. Prior to enrolling in WAA, the participant had filled out 50 applications without being accepted for employment. The participant enrolled in an employer-linked training through the Wisconsin Regional Training Partnership. Upon graduation, Huffy Sports offered him a permanent position with a starting wage of \$8.50 an hour. He has been employed for more than 90 days, and began making regular child support payments for his 3 children.

Caseload Information

DWD designed and implemented a significant modification to the CARES system to track WAA participants. This system is used to enroll participants, record characteristics and track activities, events and employment over time. Most agencies began enrolling and serving participants in late summer, due to the time required for agencies to implement the program. The data below represents 4-5 months of actual program activity.

As of the end of December 2000 there were **1,117 WAA participants** (unduplicated) logged into the CARES system. This includes participants served by both W-2 agencies and WDBs.

These participants have the following characteristics:

Workforce Development Area	Participants
1. Southeast	258
2. Milwaukee	56
3. Waukesha Ozaukee Washington	117
4. Fox Valley	100
5. Bay Area	132
6. North Central	66
7. Northwest	23
8. West Central	39
9. Western	60
10. South Central	126
11. Southwest	140

Gender	Male	243
	Female	874
Ethnicity	American Indian/Eskimo	12
	Asian or Pacific Islander	11
	Black, Not of Hispanic Origin	317
	Hispanic Origin	27
	White	601
	Other or Unknown	149
	Age Group	1-18 Years
18-20 Years		84
21-24 Years		188
25-29 Years		234
30-34 Years		203
35-39 Years		179
40-44 Years		138
45-49 Years		61
50-54 Years		19
55-59 Years		6
60 Years or Over		2

Currently Active Participants

The count of active participants as of December 31, 2000 is 835. This means that there were 282 participants who have already entered and left the program.

The 835 active cases have the following characteristics:

Parent Type	Custodial Parent	742
	Non-Custodial Parent	93
Service Provider	W-2 Agencies	250
	WDBs	266
	Combination	319

Of the 835 individuals open on December 30, 2000, many were engaged in work preparation and work advancement activities. The most common WAA activities are listed below:

- Adult Basic Education
- Post Secondary Education, Less Than 2 Years
- Employment Search
- Employment Counseling

- Job Readiness/Motivation
- Job Skills Training
- Occupational Assessment
- Parenting/Life Skills
- Work Experience

Performance Standards

Background

The Department incorporated the four standards from 1999 Wisconsin Act 9 (job placement, job retention rates, increased earnings and increased child support collections for NCPs) into contracts with the WAA agencies. DWD will track the standards statewide and by WAA agency (either WDBs or W-2 agencies), so that each agency will be able to gauge their performance in comparison to others. The first three performance standards will be measured Contract-to-Date, with the same contract period as the W-2 performance standards, 2000-2001.

DWD has made significant progress in modifying the CARES system to track these performance standards. The CARES screens to collect WAA participant information were implemented in August 2000. DWD and CARES staff added new elements to the existing CARES screens for WAA to track the performance standards in late February 2001. DWD will work closely with local agencies to ensure they correctly enter the required data for each participant.

WAA is a flexible program, and we have encouraged agencies to use WAA funds to meet the needs of their local area. Because of this flexibility, some agencies may focus on certain categories of service, such as training, and may not provide other categories of services, such as job placement, which may duplicate existing programs. Therefore, it is difficult to establish benchmarks given the broad array of services provided around the state. DWD did not establish benchmarks for the WAA performance standards for this contract, but is considering it for the next contract. The focus of the WAA program differs from the focus of existing employment and training programs, therefore, we do not have sufficient program data upon which to base benchmarks for these standards.

Definitions

DWD has defined each of the four performance standards and has implemented these standards in the CARES systems. The standards are defined as follows:

1. Employment Placement for Unemployed Persons: Measure the percent of completed WAA episodes where the participant entered as unemployed and exited the program employed.
2. Job Retention: Measure the percent of completed WAA episodes where the participant entered as employed and was still employed at program exit.
3. Increased Earnings: This measure will be split into two categories. a) For those participants unemployed at program entry, measure the average earned income if

- they leave the program employed. b) For those employed at entry, compare the average earned income at entry to the average earned income at program exit.
4. Increased child support collections for noncustodial parent participants: The increased child support collections standard will match child support collections information from the KIDS system to noncustodial WAA participants who entered and left the program.

Timeline for Performance Standards Reports

For the first three of these standards, DWD will use the new elements that were added to CARES in February. These elements include the monthly earned income amount at entry to the WAA program and the monthly earned income amount at exit of the WAA program. DWD and CARES staff will create reports for each of these three standards. The reports will be available in July 2001.

The child support collections measure will require additional time to see the impact of WAA on child support collections, thus the first report of this standard will be created at the end of March 2002.

In addition to the performance standards reports, DWD and CARES staff will create standard work program reports for the WAA program. These reports, also available in July 2001, will help agencies manage the program. The reports will include the following: counts of entered employments, 30-day and 6-month follow-up data, the movement of participants into and out of the program, and the history of participants' activities and events.

Methodology for Measuring WAA Participant Earnings

DWD will use UI wage record data to create a longitudinal database of WAA participants that provides earnings data for the four quarters prior to the quarter in which the person enrolled in the WAA program, plus subsequent quarters. The average of the four prior quarters will be used as the base earnings amount and will be compared with the subsequent quarters to determine the change. DWD and CARES staff will create a new database for tracking the UI wage data for WAA participants. The new database will be created and loaded with UI wage data by the end of 2001. The first report using this data will be created during the first quarter of 2002.

This new database will include information for all of the work programs tracked in CARES: W-2, Food Stamp Employment and Training (FSET), WtW, Children First and WAA. This database will provide a powerful tool for DWD to analyze and compare the impact of these programs on participants' earnings.

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

OFFICE OF THE SECRETARY

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March 1, 2001

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Department of Workforce Development is submitting this report, required by Joint Finance Motion 5010 adopted at the December 21, 1999 s.13.10 meeting, for the Workforce Attachment and Advancement (WAA) program.

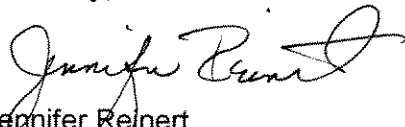
The motion directed DWD to develop a methodology to track the impact of the WAA program on participants' earnings. The motion further directed DWD to submit a report on that methodology by March 1, 2000. DWD submitted a report to the Committee on February 29, 2000 that included an analysis of the data sources that could be used for this measure.

The motion also directed DWD to produce a report on the impact of the WAA program on participant earnings by March 1, 2001. As stated in a letter from DWD dated February 29, 2000 (attached), a report on employment outcomes from the first year (CY2000) of WAA program operation would be submitted by March 1, 2001 and an earnings report would be submitted as soon as earnings data is available.

At this time, the Department can report on caseload and types of services, and this data is included in this report. In order for the legislature to have information for 2001-03 budget deliberations, the Department will prepare an ad hoc report on placement, retention and earnings outcomes no later than mid-May. Starting in July 2001, the systems will be in place to report routinely on WAA performance standards.

If you have any questions on the information in the attached paper please contact Jennifer Noyes, Administrator, Division of Workforce Solutions, at 266-3035.

Sincerely,


Jennifer Reinert
Secretary

Attachment

cc: Jennifer Noyes, DWS
Kimberly Markham, SO
Mary Rowin, DWS
Ron Hunt, DWS
Thomas Smith, ASD
Robert Blaine, DOA Budget Office
Victoria Carreon, Legislative Fiscal Bureau

DEPARTMENT OF WORKFORCE DEVELOPMENT

WORKFORCE ATTACHMENT AND ADVANCEMENT (WAA) PROGRAM REPORT TO JOINT COMMITTEE ON FINANCE March 1, 2001

Pursuant to Joint Committee on Finance Motion 5010, adopted at the December 21, 1999 s. 13.10 meeting of the Committee, the Department of Workforce Development (DWD) respectfully submits this report on the Workforce Attachment and Advancement (WAA) program to the Committee.

Joint Finance Motion 5010 required:

- That DWD develop a methodology to track the impact of WAA on participants' earnings.
- That DWD submit that methodology to the Joint Committee on Finance by March 1, 2000.
- That DWD submit a report to the Joint Committee on Finance by March 1, 2001 which includes information gathered by the Department regarding these performance measures.

DWD submitted the required report on methodology in a February 29, 2000 letter (attached) from Secretary Linda Stewart to Senator Brian Burke and Representative John Gard. That letter included an analysis of the potential data sources the Department could use to measure the earnings impact. The letter also listed the information that DWD would provide in this March 1, 2001 report and indicated that specific data on participant earnings, a focal point in Motion 5010, would not be available at this time due to necessary computer programming and limitations of the data sources. Information not included in this report that was required in Motion 5010 will be provided to the Committee later this year. A timeline is provided under the Performance Standards section of this report.

Background

1999 Wisconsin Act 9 established the WAA program as a two-year program, with a contract from January 2000 through December 2001. The program, funded through the Temporary Assistance for Needy Families (TANF) block grant, allocates \$19.7 million to Workforce Development Boards (WDBs) and Wisconsin Works (W-2) Agencies to provide services to TANF-eligible custodial and noncustodial parents (NCPs) with incomes below 200 percent of the federal poverty level. Based on expenditure information reported in the fourth quarter of calendar year 2000, most agencies will have spent their WAA allocation by the end of the contract period.

This report provides a description of the work plan for developing and implementing the performance standards established in 1999 Wisconsin Act 9. This report also provides

qualitative information on the impact on the program, including program success stories and services to employers.

The WAA program provides the following services: training to incumbent workers, job retention services, services to employers, job readiness and placement, and basic skills development. WAA participant information and performance standards are tracked on the Client Assistance for Re-employment and Economic Support System (CARES). The performance standards for WAA are job placement, job retention rates, increased earnings and increased child support collections for noncustodial parent (NCP) participants.

Program Innovations

The WAA program has several unique features. First, the program offers a broad range of services and a flexible structure for delivering those services. At the local level, the program is delivered through both W-2 agencies and WDBs, and these agencies have worked closely to coordinate service delivery, and in some cases to deliver services jointly.

The WAA program is also innovative in that it unifies the workforce development and welfare systems. According to a recent study by the Corporation for a Skilled Workforce, workforce development and welfare systems continue to operate distinctly from one another in many parts of the Midwest. In Wisconsin, the WAA program brings these two entities together at the state and local levels.

DWD has actively encouraged the coordination between workforce development and economic support programs. The W-2 program, for example, operates through the Job Center system. The WAA program has further advanced this joint planning. The recent merger between the Divisions of Economic Support and Workforce Excellence represents a new and major step in DWD's efforts to integrate low-income workers into Wisconsin's workforce development system.

Another important feature of WAA is the employer services component. WAA provides the flexibility to meet local employers' needs for skilled employees by developing and providing job-specific training and skills development, also known as "incumbent work training." WAA providers tailor services to meet employers' specific needs. This combination of working with both employers and their employees is key to addressing the statewide shortage of skilled labor.

The final, and perhaps most important, feature of the WAA program is the focus on advancement and retention. Many other programs have job placement as their primary outcome, and they are limited in the amount of services they provide once a person begins working. WAA, however, complements existing programs by fulfilling the critical need of assisting participants in retaining their jobs, and in advancing to higher-wage positions.

Retention and Advancement

This focus on retention and job advancement through the WAA program represents a shift in the focus of welfare reform efforts. Much emphasis has been placed on the success of Wisconsin's W-2 program in moving former welfare recipients into the labor market. The focus now has shifted to labor market stability for these former recipients, now members of the workforce. Wisconsin, a leader in welfare reform innovations, has again been at the forefront of this shift in developing the WAA program.

W-2 agencies have helped many participants transition to employment. However, many studies of participants who have made this transition have arrived at these conclusions: "getting into the labor market is not the same as staying in the labor market . . . and getting a job is not equivalent to achieving economic well-being or security." Many recent entrants into the labor market need support to maintain their employment and additional services to advance to higher wages.

The services available through the WAA program assist low-income families and NCPs in retaining jobs and in moving to higher-paying positions. WAA is critical to ensuring that former W-2 participants and low-income families move from welfare to stable employment and become self-sufficient.

The WAA program offers services not available through existing programs. The Welfare-to-Work (WtW) program also provides employment and training services for the low-income population. WtW is a federal program that allocates funds to WDBs to serve long-term TANF participants and NCPs of children receiving assistance. WtW providers, however, have not been successful in serving the large number of families in need of these services due to the strict federal requirements for eligibility and the requirements for matching funds, which the state passed to the local agencies.

Success Stories and Employer Services

Many WAA program plans included creative options for providing training, retention services, and services to employers. In addition to the performance standards for individual participants, agencies track services to groups and employers through a quarterly report. Following are examples of employer services and success stories for the WAA program.

Innovative Employer Services

- **W-2 Southwest Consortium:** Iowa County developed a forklift certification training program that helped employers comply with state requirements, as well as provided WAA clients with marketable skills. Grant County Works' WAA program funded skills training for customer service positions at CompCare Blue, as well as stress management "Lunch and Learn" sessions for employees. Grant also sponsored a Supervisory Development Training series for employers with a mostly TANF-eligible workforce, focusing on the unique issues of the TANF-eligible population.

- **Shawano Job Center:** Shawano has provided on-going employer services, including a series of workshops, such as Inclusive Interviewing Techniques, Team Dynamics, Communicating Corporate Culture to New Employees, and many others. The participating employers commented that they are better able to understand the TANF-eligible population and the issues they encounter. Shawano County is now focusing on serving the TANF-eligible employees within the employers' workforces.
- **Dane County:** WAA funds an Occupational Skills Instructor who works directly with employers to develop training curriculum for entry-level positions. The training is then offered to TANF-eligible individuals. This program helps participants obtain meaningful training to boost their skills in needed areas. The types of training offered include Customer service/Bank Teller Training, Math for Work, Business Writing and Computer Basics.
- **Marathon County:** WAA assisted an employer with recruitment, retention and orientation as part of the employer's plan to add 60 or more positions at starting wages from \$9.57 to \$11.50/hour. WAA offered intensive consultation to management (from CEO through supervisors) on effectively incorporating Southeast Asian employees into an existing workforce with little racial/ethnic diversity. The project is still operating, and approximately 50 employees were hired and retained 60 days or more.

WAA Participant Success Stories

- **Trempealeau County:** Western Dairyland worked with a man who could no longer maintain his employment as a logger due to a health condition. He was referred to DVR and in coordination was enrolled in truck driving school. He graduated and obtained employment with an annual salary of \$40,000.
- **Douglas County:** Northwest Wisconsin CEP worked with a young mother of three, referred by the W-2 program. At the time of referral to NWCEP she had 6 months of sobriety. NWCEP assisted by writing an on-the-job training contract, working in a green house, which offered her a living wage and benefits. The job fit her well, and she is now an excellent supervisor, as well as a good role model.
- **YW-Works:** YW-Works served a noncustodial parent Probation and Parole client, from the Department of Corrections. Prior to enrolling in WAA, the participant had filled out 50 applications without being accepted for employment. The participant enrolled in an employer-linked training through the Wisconsin Regional Training Partnership. Upon graduation, Huffy Sports offered him a permanent position with a starting wage of \$8.50 an hour. He has been employed for more than 90 days, and began making regular child support payments for his 3 children.

Caseload Information

DWD designed and implemented a significant modification to the CARES system to track WAA participants. This system is used to enroll participants, record

characteristics and track activities, events and employment over time. Most agencies began enrolling and serving participants in late summer, due to the time required for agencies to implement the program. The data below represents 4-5 months of actual program activity.

As of the end of December 2000 there were **1,117 WAA participants** (unduplicated) logged into the CARES system. This includes participants served by both W-2 agencies and WDBs.

These participants have the following characteristics:

Workforce Development Area	Participants
1. Southeast	258
2. Milwaukee	56
3. Waukesha Ozaukee Washington	117
4. Fox Valley	100
5. Bay Area	132
6. North Central	66
7. Northwest	23
8. West Central	39
9. Western	60
10. South Central	126
11. Southwest	140

Gender	Male	243
	Female	874
Ethnicity	American Indian/Eskimo	12
	Asian or Pacific Islander	11
	Black, Not of Hispanic Origin	317
	Hispanic Origin	27
	White	601
	Other or Unknown	149
	Age Group	
	1-18 Years	3
	18-20 Years	84
	21-24 Years	188
	25-29 Years	234
	30-34 Years	203
	35-39 Years	179
	40-44 Years	138
	45-49 Years	61
	50-54 Years	19
	55-59 Years	6
	60 Years or Over	2

Currently Active Participants

The count of active participants as of December 31, 2000 is 835. This means that there were 282 participants who have already entered and left the program.

The 835 active cases have the following characteristics:

Parent Type	Custodial Parent	742
	Non-Custodial Parent	93
Service Provider	W-2 Agencies	250
	WDBs	266
	Combination	319

Of the 835 cases open on December 30, 2000, many were engaged in work preparation and work advancement activities. The most common WAA activities are listed below:

- Adult Basic Education
- Post Secondary Education, Less Than 2 Years
- Employment Search
- Employment Counseling
- Job Readiness/Motivation

- Job Skills Training
- Occupational Assessment
- Parenting/Life Skills
- Work Experience

Performance Standards

Background

The Department incorporated the four standards from 1999 Wisconsin Act 9 (job placement, job retention rates, increased earnings and increased child support collections for NCPs) into contracts with the WAA agencies.

DWD has made significant progress in modifying the CARES system to track these performance standards. The CARES screens to collect WAA participant information were implemented in August 2000. DWD and CARES staff added new elements to the existing CARES screens for WAA to track the performance standards in late February 2001. DWD will work closely with local agencies to ensure they correctly enter the required data for each participant.

WAA is a flexible program, and we have encouraged agencies to use WAA funds to meet the needs of their local area. Because of this flexibility, some agencies may focus on certain categories of service, such as training, and may not provide other categories of services, such as job placement, which may duplicate existing programs. Therefore, it is difficult to establish benchmarks given the broad array of services provided around the state. DWD did not establish benchmarks for the WAA performance standards for this contract, but is considering it for the next contract. The focus of the WAA program differs from the focus of existing employment and training programs, therefore, we do not have sufficient program data upon which to base benchmarks for these standards.

Definitions

DWD has defined each of the four performance standards and has implemented these standards in the CARES systems. The standards are defined as follows:

1. Employment Placement for Unemployed Persons: Measure the percent of completed WAA episodes where the participant entered as unemployed and exited the program employed.
2. Job Retention: Measure the percent of completed WAA episodes where the participant entered as employed and was still employed at program exit.
3. Increased Earnings: This measure will be split into two categories. a) For those participants unemployed at program entry, measure the average earned income if they leave the program employed. b) For those employed at entry, compare the average earned income at entry to the average earned income at program exit.
4. Increased child support collections for noncustodial parent participants: The increased child support collections standard will match child support collections

information from the KIDS system to noncustodial WAA participants who entered and left the program.

Timeline for Performance Standards Reports

For the first three of these standards, DWD will use the new elements that were added to CARES in February. These elements include the monthly earned income amount at entry to the WAA program and the monthly earned income amount at exit from the WAA program. The Department will produce an ad hoc report on placement, retention and earnings outcomes for the 2001-03 budget deliberations, no later than mid-May 2001.

Starting in July 2001, DWD and CARES staff will create routine reports on each of these three standards. Also, the Department will be able to provide quantitative analysis of the agencies' effectiveness in increasing participants' earnings based on the monthly reports that will become available in July 2001.

The child support collections measure will require additional time to see the impact of WAA on child support collections, thus the first report of this standard will be created at the end of March 2002.

DWD will track the standards statewide and by WAA agency (either WDBs or W-2 agencies), so that each agency will be able to gauge their performance in comparison to others. The first three performance standards will be measured Contract-to-Date, with the same contract period as the W-2 performance standards, 2000-2001.

In addition to the performance standards reports, DWD and CARES staff will create standard work program reports for the WAA program. These reports, also available in July 2001, will help agencies manage the program. The reports will include the following: counts of entered employments, 30-day and 6-month follow-up data, the movement of participants into and out of the program, and the history of participants' activities and events.

Methodology for Measuring WAA Participant Earnings

DWD will use UI wage record data to create a longitudinal database of WAA participants that provides earnings data for the four quarters prior to the quarter in which the person enrolled in the WAA program, plus subsequent quarters. The average of the four prior quarters will be used as the base earnings amount and will be compared with the subsequent quarters to determine the change. DWD and CARES staff will create a new database for tracking the UI wage data for WAA participants. The new database will be created and loaded with UI wage data by the end of 2001. The first report using this data will be created during the first quarter of 2002.

This new database will include information for all of the work programs tracked in CARES: W-2, Food Stamp Employment and Training (FSET), WtW, Children First and WAA. This database will provide a powerful tool for DWD to analyze and compare the impact of these programs on participants' earnings.