

# ☞ 07hr\_SC-LEUA\_Misc\_pt21b



☞ July 8, 2008 ... Informational Hearing ... DWD Job Center Consolidation

(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2007-08

(session year)

### Senate

(Assembly, Senate or Joint)

### Committee on ... Labor, Elections and Urban Affairs (SC-LEUA)

#### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

#### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

**Plotkin, Adam**

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**From:** Michelle St. Clair [mstclair1@wctc.edu]  
**Sent:** Thursday, July 03, 2008 4:45 PM  
**To:** Sen.Breske; Sen.Carpenter; Sen.Coggs; Sen.Cowles; Sen.Darling; Sen.Decker; Sen.Ellis; Sen.Erpenbach; Sen.Fitzgerald; Sen.Grothman; Sen.Hansen; Sen.Harsdorf; Sen.Jauch; Sen.Kanavas; Sen.Kapanke; Sen.Kedzie; Sen.Kreitlow; Sen.Lasee; Sen.Lassa; Sen.Lazich; Sen.Lehman; Sen.Leibham; Sen.Miller; Sen.Olsen; Sen.Plale; Sen.Risser; Sen.Robson; Sen.Roessler; Sen.Schultz; Sen.Sullivan; Sen.Taylor; Sen.Vinehout; Sen.Wirch  
**Subject:** Proposed Consolidation of Job Service

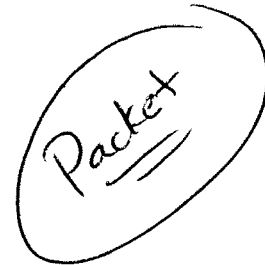
Good Afternoon,

On behalf of the Wisconsin Association of Job Training Executives, attached please find the association's position regarding Secretary Gassman's proposal to consolidate job service.

Thank you for your time and consideration.

Michelle St. Clair  
WWDA/WAJTE Coordinator

~~~~~  
Michelle St. Clair, Planner  
W-O-W Workforce Development, Inc.  
892 Main Street  
Pewaukee, WI 53072  
<http://www.wfdc.org>  
262.695.6574 (p)  
262.695.7890 (f)

A handwritten word "Packet" is written in a cursive style and is enclosed within a hand-drawn oval. The word is underlined with a single horizontal line.

**Plotkin, Adam**

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**From:** Michelle St. Clair [mstclair1@wctc.edu]  
**Sent:** Monday, July 07, 2008 10:18 AM  
**To:** Sen.Breske; Sen.Carpenter; Sen.Coggs; Sen.Cowles; Sen.Darling; Sen.Decker; Sen.Ellis; Sen.Erpenbach; Sen.Fitzgerald; Sen.Grothman; Sen.Hansen; Sen.Harsdorf; Sen.Jauch; Sen.Kanavas; Sen.Kapanke; Sen.Kedzie; Sen.Kreitlow; Sen.Lasee; Sen.Lassa; Sen.Lazich; Sen.Lehman; Sen.Leibham; Sen.Miller; Sen.Olsen; Sen.Plale; Sen.Risser; Sen.Robson; Sen.Roessler; Sen.Schultz; Sen.Sullivan; Sen.Taylor; Sen.Vinehout; Sen.Wirch  
**Subject:** Proposed Consolidation of Job Service  
**Attachments:** Job Service Restructuring Commentary 7\_08\_State Senate.pdf



Job Service  
Restructuring Comm.

My apologies; the letter on behalf of the Wisconsin Association of Job Training Executives is now attached.

~~~~~  
Good Afternoon,

On behalf of the Wisconsin Association of Job Training Executives, attached please find the association's position regarding Secretary Gassman's proposal to consolidate job service.

Thank you for your time and consideration.

Michelle St. Clair  
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THE VOICE OF WISCONSIN'S LOCAL  
WORKFORCE DEVELOPMENT BOARDS

July 3, 2008

The Wisconsin State Senate  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Honorable Senators:

It is our considered opinion that the proposal of Secretary Roberta Gassman, of the Wisconsin Department of Workforce Development, to consolidate services from 38 current Job Center sites into 12 urban locations is not in the best interests of the job seekers, workers and employers of Wisconsin. The proposal in its current form lacks appropriate base-line measures, budgetary and service targets and evaluative criteria to assure accountability. Furthermore, the process from which it evolved failed to engage the legitimate Workforce Development Governance structures in local regions and has the potential to totally destabilize the current workforce development system in Wisconsin.

It is our desire that Secretary Gassman vacate her decision to redeploy and consolidate Job Service or hold its implementation in abeyance until at least December 31, 2008. We ask that you encourage the Secretary to work with the Workforce Development Boards, Local Elected Officials and Workforce Development Professionals from each of the eleven workforce development areas to develop mutually agreeable goals. It is imperative that appropriate goals and measures of accountability are put in place so that local Workforce Development Governance Systems are empowered to assume their appropriate roles and craft alternative strategies to attain goals through means that will assure maximum assistance to those employers, job seekers and workers needing assistance.

Respectfully

Wisconsin's Association of  
Job Training Executives





# Bay Area Workforce Development Board

317 West Walnut Street  
Green Bay, WI 54303  
T (920) 431-4100  
F (920) 431-4101  
[www.bayareawdb.org](http://www.bayareawdb.org)

## RESPONSE TO DWD STAFF REALIGNMENT PLAN July 3, 2008

The Wisconsin Department of Workforce Development (DWD) recently announced a new plan to relocate Job Service and Veterans Employment staff into just 12 job centers around the state, including Green Bay, before the end of the year. This decision has generated some controversy, especially in the communities that state employment services staff will be vacating such as Marinette, Manitowoc, Shawano and Sheboygan.

As the organization responsible for the oversight of employment and training service delivery in NE Wisconsin, the Bay Area Workforce Development Board will work with DWD to implement DWD Secretary Roberta Gassman's vision for improving the quality of employment services in our Bay Area utilizing this new staffing pattern. Our first goal will be to hammer out realistic goals and to come to agreement on the metrics that will indicate success of this initiative. We applaud the effort by the state office to live within the limits of the federal dollars that come to the state for these services and to make more efficient use of declining federal program resources. In particular, the application of lean principles, so crucial to success in the manufacturing sector, will be useful as we work on system improvement in the days ahead.

The Bay Area WDB views this change as an opportunity not just to realign our employment service delivery system to make it more efficient, but also to raise the quality of public discussion about workforce development issues in Wisconsin. Our employers are keenly aware that the number one challenge to economic growth and prosperity is the availability of a skilled workforce. As politicians speak out about "creating jobs," employers are struggling to fill the skilled positions they have available. Wisconsin annually spends tens of millions of dollars to create jobs through economic development programs, but there is little collaborative effort or resources to promote the skill development that would fill those jobs. Our NEW Manufacturing Alliance is only one of many efforts to address this shortage of skilled workers.

The policy calls attention to the reality of declining federal resources for employment and training programs at a time when the skills needed to get a family-supporting job are higher than ever and career planning along with lifelong learning is essential for economic success.

This policy change also focuses needed attention on our rural communities. The company closings during the last national economic downturn left many towns and villages with empty factories and few jobs. The recent rise in fuel costs has further isolated our rural communities. More effective outreach to those areas of NE

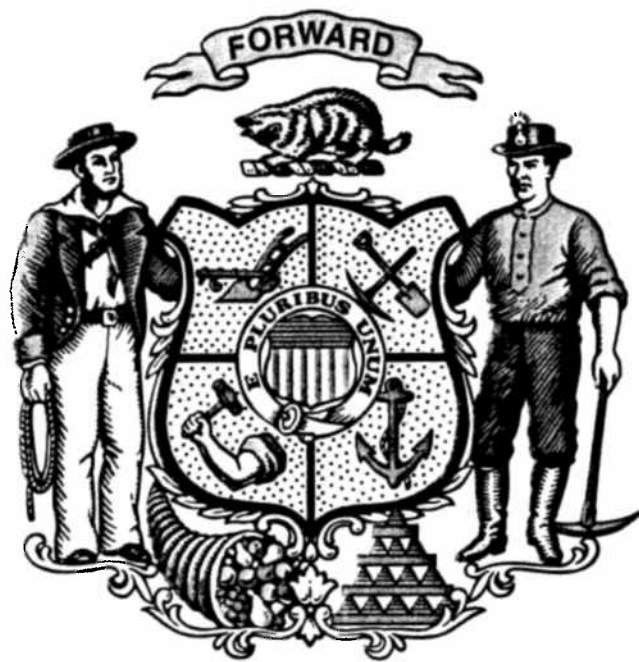
Wisconsin will require innovation, the effective use of staff and technology, as well as even greater levels of partnership and collaboration to meet Wisconsin's workforce challenges.

The Bay Area WDB has a reputation for innovation and partnership to promote workforce development. We will hard to make the most of these new opportunities to bring job seekers and employers together for a prosperous regional NEW North economy.

Paul Linzmeyer, Chair

Jill Hennessey, Vice Chair

Bay Area Workforce Development Board  
317 West Walnut Street, Green Bay WI 54303





## Plotkin, Adam

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**From:** Bishop, Jennifer  
**Sent:** Monday, July 07, 2008 1:55 PM  
**To:** Plotkin, Adam  
**Subject:** FW: Appeal of Restructuring Decisions

**Attachments:** Secretary Gassman July 1 2008.pdf



Secretary Gassman  
July 1 2008....

-----Original Message-----

From: Tierney, Michael  
Sent: Thursday, July 03, 2008 3:15 PM  
To: Bishop, Jennifer  
Subject: FW: Appeal of Restructuring Decisions

Hey Jen -

Here's some more material regarding the hearing next week.

Mike

-----Original Message-----

From: pgordonlaw@charter.net [mailto:pgordonlaw@charter.net]  
Sent: Thursday, July 03, 2008 3:04 PM  
To: Buhrandt, Jeff; Tierney, Michael  
Subject: Fwd: Appeal of Restructuring Decisions

Dear Jeff and Mike,

The attached letter From West Central Wisconsin Workforce Resource and attachments therein are the most recent analysis we have in the Job Center issues. This covers two things. The proposed action statewide, and the local West Central Wisconsin experience and impacts. These documents raise questions and can serve as areas for other questions that the Senators may find useful. And, the attachments contain several alternatives that can be explored by way of questions.

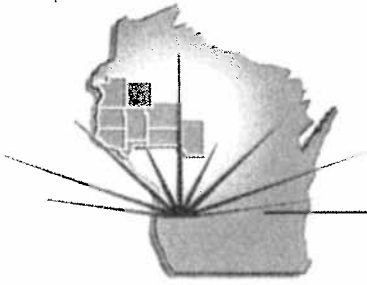
More to follow Monday morning, including asking you how best to proceed with testimony and providing a copy of these documents to the Senators. Thank you both for your help.  
Paul

> From: Dick Best <bestd@workforceresource.org>  
> To: "Roberta Gassman (Roberta.Gassman@dwd.state.wi.us)"  
> <Roberta.Gassman@dwd.state.wi.us>  
> CC: "Colleen Bates (pbates9813@charter.net)" <pbates9813@charter.net>,  
> "Clark, Linda S" <linda.s.clark@xcelenergy.com>, "Paul Gordon  
> (pgordonlaw@charter.net)" <pgordonlaw@charter.net>  
> Date: Thu, 3 Jul 2008 13:51:53 -0500  
> Subject: Appeal of Restructuring Decisions

>

> Please review the enclosed appeal and supporting documentation regarding the recently announced DWD Redesign and Improvement Plan. We look forward to hearing from you soon in this matter as there are significant financial and legal implications that must be dealt with expeditiously. I had intended to deliver this information to you yesterday while I was in Madison, but computer technical issues intervened and prevented me from producing the final version of these documents while I was there. You can anticipate hard copy of this information after the July 4th holiday. Thank you for your consideration of these important matters.

>  
> Dick Best  
> Executive Director  
> Workforce Resource, Inc.  
> 401 Technology Drive East  
> Menomonie, WI 54751  
> 715-232-7380 ext 105  
>  
>



**West Central Wisconsin  
Workforce Development Board Inc.**

401 Technology Drive East, Suite 100, Menomonie, WI 54751-2383 • Phone: 715.232.1412 • Fax: 715.232.2240

July 1, 2008

Roberta Gassman, Secretary  
Department of Workforce Development  
201 East Washington Avenue  
P.O. Box 7946  
Madison, WI 53707-7946

Dear Secretary Gassman

We hereby formally request that you vacate or significantly alter your policy direction issued under a May 8, 2008 cover entitled "Workforce Redesign and Improvements" and reissued on June 5, 2008 under the title "Upcoming Improvements to Wisconsin's Employment and Training Services". The central concept of this proposal being the reassignment of Job Service staff from their current locations to 12 urban sites, and the redeployment of Vocational Rehabilitation personnel to these sites and additional as yet to be determined contact point locations.

It is our considered opinion, for the reasons stated here and in the attached documents, this proposal is not in the best interests of the job seekers, workers and employers of Wisconsin. We challenge the proposal's premises that services will be improved and cost savings will be realized. We are particularly concerned about the cost and service implications for West Central Wisconsin as noted in Attachment II.

The proposal in its current form lacks appropriate base-line measures, budgetary and service targets and evaluative criteria to assure accountability. The process from which it evolved failed to engage the legitimate regional Workforce Development Board governance structures and has the potential to totally destabilize the current workforce development system in Wisconsin. Furthermore this proposal calls for reneging on space and other facilities obligations in several locations within West Central Wisconsin that, if upheld, will result in considerable expense that can only come from reductions in local WIA training and service capacity.

Please review Attachment I, particularly the recommendations on pages one and two. We ask that you vacate or hold your decision in abeyance until at least December 31, 2008, to allow time for appropriate benchmarks, goals and evaluative methods to be put in place. Allow local governance structures to craft acceptable strategies to attain those goals and work with regional efforts in a collaborative manner.

We also ask that the Department honor its financial commitments for space as outlined in Attachment II. We have relied upon these commitments from DWD to our detriment and

Secretary Gassman  
July 1, 2008  
Page 2

we ask that you intercede to rectify these matters. Contrary to assertions that we have refused to sign subleases offered to us, these subleases have not been presented to us and are currently in the possession of the Department of Administration (DOA). DOA assumed sublease responsibility after rejecting subleases that we tendered for signature. DOA refuses to release these sublease documents citing instructions from DWD as rationale. We have repeatedly requested these documents be presented for signature.

We also ask that you review and allow implementation of the Alternative Proposal for West Central Wisconsin outlined in Attachment III to this document. We believe it is a superior approach for addressing the needs of the residents of West Central Wisconsin, which will honor the space commitments made by DWD and result in a more harmonious state-local relationship.

We hope that this appeal will result in altering this proposed course of action and allow for true local input, resulting better performance, greater accountability and a more harmonious state-local relationship. Because of the rapidity of implementation of this plan, The immediate impacts being felt within the region, the lack of response to local input and the severe ramifications on local operations we have reluctantly chosen to seek relief both within and outside of the Department.

Respectfully  
The Executive Council on Behalf of  
The West Central Wisconsin  
Workforce Development Area

Linda Clark, Chair  
West Central Wisconsin  
Workforce Development Board

Colleen Bates  
Chief Elected Official  
West Central Wisconsin  
County Boards' Consortium

Paul Gordon, Chair  
Workforce Resource, Inc.

Richard Best  
Executive Director  
Workforce Resource, Inc.

## Attachment I

### An Alternative View of "Improvements to Wisconsin's Employment and Training Services"

Wisconsin's demographic trends, job growth projections and replacement worker needs - coupled with a growing mismatch between the skills possessed by the workforce and those required by employers - indicate a pending crisis in workforce and economic development. Estimates recently provided by the Department of Workforce Development (DWD) indicate the need to identify and prepare between 500,000 and 750,000 appropriately skilled workers over the next decade. Wisconsin's Workforce Development and Job Center system is best positioned to meet this challenge as the most accessible and effective means to match the needs of the workforce to the needs of employers. This Workforce System is itself in crisis, brought on by years of insufficient investment and now - a flawed restructuring plan.

Secretary Roberta Gassman announced plans to "transform our employment and training services to best meet the needs of Wisconsin's workers and employers in the 21<sup>st</sup> century" through a May 8, 2008 internal DWD message entitled "Improvements to Wisconsin's Employment and Training Services". This message announced the redeployment of approximately 140 Job Service staff, from 38 Job Center locations across the state, to 12 urban centers entitled "DWD Skill and Career Centers." It also announced that Division of Vocational Rehabilitation (DVR) staff would be assigned to these 12 centers and such "additional 'contact point' locations to meet the business needs to effectively serve DVR customers."

Under this proposal Job Service and DVR will serve rural populations remotely, supported with as yet to be fully developed "Virtual Job Center" technology and will travel back out to unspecified non-Job Center locations in rural areas to provide services. This will leave most current Job Centers without the one resource charged with serving the general public (Job Service) and without the resource charged with serving our most vulnerable customers with disabilities (DVR). The announcement indicates that there will be "no position reductions and all staff will have the opportunity to relocate to the new regional headquarter locations..." and that this transformation would be completed by December 31, 2008. This initiative is purportedly driven by the desire to maintain staff through infrastructure cost savings.

While we applaud Secretary Gassman and the Department's recognition that this workforce development challenge requires creative solutions to identify and prepare all of Wisconsin's under-utilized and under-skilled job seekers and workers, we differ strongly on method. The following represents a different view of the structural changes proposed by the Secretary. A view based upon knowledge of local conditions and extreme concern for the impact this proposal will have on the Job Seekers, Workers and Employers of Wisconsin who will need workforce development services more than at any time in history. This alternative view contends that those most in need will be those least likely to be effectively served due to restricted service access with no guarantee of cost savings or gains in system efficiency.

**Therefore, we ask that the proposed redeployment and service site consolidation process be vacated or held in abeyance until, at least until December 31, 2008 to allow for further analysis and development of locally responsive alternatives which will:**

1. Actively engage the Wisconsin's Workforce Development Boards, Local Elected Officials and Workforce Development Professionals in their legitimate Workforce Policy Development roles.
2. Collaboratively establish clear budgetary and service level base-line data from which the success of any chosen strategy can be measured.
3. Collaboratively develop clear goals and outcome measures to be achieved by any chosen strategy
4. Result in collaborative outcome driven strategies responsive to state and local needs.
5. Include strict measures of accountability and collaboratively developed evaluation processes.
6. Reduce facilities and infrastructure costs where feasible while honoring all remaining financial obligations for facilities acquired on behalf of the Department.

The information below is provided as documentation that critical input and accountability factors are absent from the Department's plan. The point is not to cast blame but to bring about a more effective response to identified challenges. It is uncomfortable to challenge the Department and Secretary that has power and influence over your future. However, when opportunities to influence policy development are severely limited and the input provided has no impact we reluctantly take the only recourse available to us – to seek assistance from those who may still influence the final outcome and assure that the best interests of the Wisconsin's job seekers, workers and employers are served.

#### The proposed strategy negatively impacts on Wisconsin's Job Seekers, Workers and Employers

We contend that the strategy currently being implemented will limit service access and reduce service capacity and quality largely as the result of failure to consult with legitimate local decision makers and thus adequately consider local needs and circumstances. Considerable detail is provided in the balance of this document, but in summary we fear services to the general public will be less accessible as those services are concentrated in a very few locations, leaving the vast majority of the state farther from those services. Cost to job seekers to access services or to bring those services to them from central locations will be more costly than the current network of accessible Job Centers. The populations targeted by this initiative have the least access and capability to benefit from technological solutions. Funds will be shifted from training to infrastructure in order to compensate for the loss of contribution from DWD in locations where space cannot be reduced. In one area alone between \$180,000 and \$250,000 will need to be shifted from training to facilities costs to make up for the DWD losses.

#### The Department's decision making process lacked appropriate outside input

This restructuring concept was first presented to a small group of local workforce development directors on April 25, 2008 through a series of Power Point slides. Input provided at the time suggested that other alternatives be considered and local Workforce Development Boards, Local Elected Officials and Regional Partnerships be consulted to find solutions more attuned to local needs. On Wednesday, May 7, 2008 the same information was presented to a full complement of Workforce Development Directors. Similar suggestions were made to engage the local workforce policy and governance structure in finding locally compatible solutions. The Directors were informed that they had one week to submit comments. No official written proposal was provided to react to. The following day (May 8), Secretary Gassman issued a letter by email to all Job Service and Division of Vocational Rehabilitation staff informing them of the restructuring that would be initiated almost immediately and completed by December 31, 2008. Job Service staff would be reassigned to the 12 designated urban sites and DVR staff reassigned to those 12 plus a limited number of other as yet to be determined locations.

Comments requesting consideration of alternatives and local input were forwarded despite the decision of the Secretary to pursue this course of action prior to the stated deadline. The advice and council of the legislatively authorized Workforce Development Boards was, however, ignored. The Governor's Council on Workforce Investment was informed of the decision. The decision to move forward with this strategy was rendered by the Secretary in consultation with its Chair and Executive Committee and the membership results of the decision which was presented as a finished product without debate or action. Those in attendance were told that this proposal had the full support of the Governor. During the meeting at which this strategy was unveiled to the full Council, the Secretary made numerous statements indicating that there was nearly universal support of this decision, with only limited concerns to be readily addressed by the Department which she pledged would act as a "good partner". A sweeping change effecting hundreds in the workforce development community and thousands of job seekers and employers was implemented with no formal review and comment period and no real consideration of the proper role of local decision makers.

At the most recent Governor's Council on Workforce Investment (CWI) meeting, two members of the Council asked questions about the degree of acceptance of this proposal. They indicated that they had heard there were concerns being expressed from many who questioned the proposal. The Secretary informed the Council that there was little or no opposition and the concerns that had been registered largely related to lease costs which the Department will resolve amicably as a "Good Partner." This statement was made despite having received verbal and written critiques of the proposal. The CWI Chair indicated that only those areas plagued with poor performance were expressing concern. Analysis will show that expressions of strong opposition had been submitted from among the highest performing areas of the state. Critiques by news media were cited, but dismissed as being based on incomplete information.

#### The proposal failed to consider significant factors relating to cost, efficiency and effectiveness

The Department's proposal indicates that money will be saved from leases and other infrastructure cost reductions that will allow investment in staff capacity. When asked to quantify the savings on a regional basis against which local cost saving alternatives could be compared, DWD representatives indicated that such regional figures could not be provided. Therefore, no base-line has been provided from which to tell if actual savings have been achieved. **How can the success or failure of this strategy possibly be determined if no baseline cost and service data has been provided?**

The proposal calls for the same number of staff to be maintained but in fewer locations as a presumption of cost savings. Many of the sites that will be abandoned are in rural areas, often with lower costs. Movement is planned to urban locations often with higher cost. One might logically conclude that the same number of staff will need the same amount of space and abandoning lower cost space in favor of higher cost space will cost more not less. Never-the-less, with no comparison of the current costs and no accurate determination of the proposed cost in the new locations, it will be hard to judge if cost any savings or increases are being realized. **A thorough analysis of the actual current costs of facilities compared to the proposed cost of the restructuring is absent and must be provided.**

Much of the excess space that the department is faced with maintaining is in the high cost urban centers that the Department is transferring staff to while space more convenient to Job Seekers and employees is being abandoned. **Why is the Department favoring the maintenance of higher cost urban space over lower cost, more accessible, rural locations?** Why not abandon the excess space in these urban centers and keep staff closer to their customers and their homes?

In many cases other organizations will have to pick up these same space and infrastructure costs as these commitments extend beyond the timetable proposed by DWD or the physical configuration of sites cannot be reduced just because a partner chooses to leave. Costs may be shifted but the system may not realize any savings. It has also been claimed that this theoretical reduction of infrastructure costs will result in increased training fund availability. In fact the opposite is likely to occur as training resources from partner organizations will have to be shifted to cover the unfunded infrastructure costs brought about by the redeployment. The Job Service budget where savings are purported to occur has no training fund and savings are undocumented. **An analysis to the impact of cost shifting must be provided.**

Additionally, most staff who will be relocated reside near their current Job Center locations. Many will be forced to travel to their new locations over great distances at increased personal expense and energy consumption. Many senior staff will choose to retire rather than take on this additional expense. We understand that 12 individuals have done so already and more. With position freezes in place, these positions will not be refilled and, while this may actually result in some cost savings, service capacity will be lost.

The restructuring proposal also indicates that these same staff will then travel back to more remote locations to provide services which are much closer to the locations that are being abandoned. This will require costly travel reimbursement, high energy usage and considerable non-productive travel time necessary to get staff resources back to the areas that are deserted. **An analysis of the true cost of travel, both personal and programmatic as well as an analysis of the loss of productivity during extended travel time and the loss of staff capacity resulting from increased retirements or resignation must be completed to assure that this is an efficient approach.**

The proposal lacks clearly stated goals, outcome measures and evaluative processes

The major positive element of this restructuring proposal is the recognition of the need to more effectively reach out to under-utilized populations and bring their skills into alignment with the needs of the economy. The result, if successful, being to address the worker and skill shortages, strengthen the economy, raise the income levels of workers and enhance Wisconsin's tax-base - All very laudable goals. The proposal indicates that the centralization of DWD staff resources will improve these outcomes when accompanied with investments in technology that will substitute for the presence of staff in remote locations. **Measures on the impact on target populations are lacking and must be developed.**

Populations targeted by this proposed strategy are those least technologically able and are often lacking in access to technology. Technological solutions are of great assistance in this endeavor, but are of little use to those who lack access and capability to use technology without assistance. The staff assistance necessary to allow the full realization of technological solutions will now be far removed from the target populations – or as stated above costs will be incurred to bring the staff back out to the now remote locations. **The costs of the proposed technological solutions must be factored in to any pre-post cost comparison and service effectiveness and impact must be measured.**

The Secretary has stated on several occasions, including the most recent meeting of the Governor's Council on Workforce Investment (CWI), that current system has served 16,600 people this past year and that this must be improved upon if the needs of Wisconsin's economy are to be met. She assured the audience that this restructuring proposal would reduce costs of infrastructure, raise staff capabilities and increase services through the redeployment of DWD human resources and increased use of technology. A CWI member observed that if these figures are correct the 142 staff to be redeployed serve just over 100 people each per year. The Secretary responded that staff from other agencies contribute to those service numbers. To which the member responded, "you mean to say that the number is less than 100 per staff, per year?" Another member commented that if this is so the system could never make a dent Wisconsin need for skilled workers. A subsequent query of the Wisconsin's own Workforce Development Data System shows that **124,726 individuals were officially registered for service between July 1, 2007 and June 27, 2008.** It should be noted that the Job Center system serves many more people than those officially registered as that number does not include much of the walk-in traffic and many thousands touched by other partner agencies. One would only hope that the public repetition of such a low service level would not be used as the measure from which service improvement for any revised system would be evaluated.

The proposal indicates service improvements and cost savings but does not establish any specific service, cost or outcome measures. The proposal does not state definitive, accurate baseline data from which to measure improvement, nor does it specify any evaluation methodology. **Clear, accurate baseline service and cost data, appropriate outcome measures and effective evaluation methods must be established to assure accountability.**

Thank you for your attention to this matter of great importance to Wisconsin's job seekers, workers and employers.



**Attachment II**  
**Workforce Redesign and Improvement Plan Financial and Programmatic Impact**  
**On the West Central Wisconsin Workforce Development Area**

The following summary is provided to illustrate the severe implications, both financial and programmatic, that the proposal of the Secretary of the Department of Workforce Development (DWD) will have on the West Central Wisconsin Workforce Development Area. We entered into good faith agreements to secure space on behalf of DWD and we relied upon the stated commitments of the Department to our detriment, as those commitments are now being renege upon raising serious ethical and legal concerns.

The proposed redeployment of staff by the Department of Workforce Development effects two Divisions of that Department, the Division of Vocational Rehabilitation and Job Service. The planned reassignment of Job Service and Vocational Rehabilitation staff persons, if fully implemented, will result in Job Service renege on space obligations in River Falls, Rice Lake, and Chippewa Falls. Job Service recently vacated space in Menomonie and earlier in the program year vacated space in Balsam Lake. Vocational Rehabilitation will renege on space obligations in River Falls, Balsam Lake, Neillsville and Chippewa Falls. Vocational Rehabilitation has requested access to additional space in Rice Lake and Menomonie which if not granted, will result in DVR vacating all space at the end of what DOA/DWD claims to be month-to-month tenancies. In the meantime DVR has vacated its space in Menomonie.

The analysis below pertains to locations where Workforce Resource is the master lease holder: Rice Lake, River Falls, Balsam Lake and Neillsville. Workforce Resource is the building owner in Menomonie. Chippewa Falls is also affected, and CVTC the building owner will have to provide that information.

Programmatically this action will mean that Job Service, the only Job Center partner organization charged with providing services to the general public, will be absent from all area Job Centers with the exception of Eau Claire. Those members of the general public not eligible for WIA, or other targeted programs remaining in our Job Centers, will lose access to core services unless they expend considerable resources to travel to Eau Claire or DWD expends considerable resources to travel to those job seekers (see Attachment I for other implications). WIA services will be reduced as identified below as funds will need to be reallocated from training and services to the payment of lease and other infrastructure costs being abandoned by DWD.

Additional space will have to be acquired in Eau Claire to house these relocated staff that may require acquisition of space outside of the current Job Center, while space exists for these staff in current Job Center locations. These staff will now incur excessive costs to travel to their new locations and then will be compensated and reimbursed for travel expenses to travel back to remote locations.

The net financial impact on Workforce Resource, and thus the cost of these actions will be between \$181,000 and \$251,000. This amounts to between 9% and 11% of the region's Workforce Investment Act (WIA) allocation for the current year and will translate into a significant reductions in WIA services should this plan be fully implemented. The cost impacts are as follows:

|                   | <u>End Dates of Master Leases</u> | <u>Loss Option 1*</u> | <u>Loss Option 2</u> |
|-------------------|-----------------------------------|-----------------------|----------------------|
| Rice Lake –       | 11/31/2010                        | (\$91,205)            | (\$51,784)           |
| River Falls –     | 8/31/2011                         | (\$122,892)           | (\$122,892)          |
| Balsam Lake –     | 12/31/2009                        | (\$2,900)             | (\$2,900)            |
| Neillsville –     | 12/31/2010                        | (\$4,160)             | (\$4,160)            |
| Menomonie-        | 6/30/2010                         | (\$30,386)            | (\$68)               |
| <b>Total Loss</b> |                                   | <b>(\$251,543)</b>    | <b>(\$181,804)</b>   |

Option 1 involves the threatened vacating of DWD space in all locations. Option 2 involves the acceptance of vacating all space in River Falls, Neillsville, Balsam Lake and the relocation of DVR staff into Menomonie and Rice Lake coupled with the loss of Job Center resource room and other contributions those two locations. These options were presented to us by representatives of DWD and the Department of Administration on June 24, 2008. In essence we were told to take option 2 or leave it. When asked about the ethical issues of renegeing on these other documented commitments the DOA representative indicated that in the absence of a "signed" written sublease no legal commitment existed. When confronted with the ethical issue of DWD/DOA delaying and then withholding these subleases to avoid the presence of a "signed" sublease, he responded – "You should have been more persistent."

In each of these locations space was acquired or built to the specifications of Job Center partners, including Job Service and Vocational Rehabilitation with documented commitments to continue occupancy through the terms of the master leases. Below you will find an explanation of the issues relating to each site in question.

### Rice Lake

After several years of operating out of multiple locations in Rice Lake a space sufficient to house all Job Center partners was found in 2005. DWD issued an RFP to assure the site was the most cost effective and upon settling on the current Job Center location asked Workforce Resource to act as the Master Leaseholder and negotiate space acquisition, build-out and occupancy. We were informed that we would need to conclude a master lease for the space prior to signature by the State of Wisconsin as this master lease would need to be attached and referenced in any subsequent sublease with State of Wisconsin.

A formal space request was approved by the Department of Workforce Development and partner space needs were verified by Workforce Resource prior to entering into the master lease agreement. The building owner indicated a need for a minimum 5 year lease in order to amortize costs of build-out within the lease rate structure desired by the tenants. Based on the acceptability of space allocation, terms and costs Workforce Resource (WRI) entered into a 5 year lease agreement on behalf of WRI, Job Service, Vocational Rehabilitation and the Center for Independent Living (CIL). Unlike DWD/DOA, CIL experienced a loss of need for space following signing of their sub-lease and asked for reduced space allocation. When informed that there was no option to shift cost to other partners, they continued to fulfill their obligations.

Due to a termination of the lease for the previously occupied DWD space, WRI even negotiated temporary space provisions for Job Service and VR to allow them to be housed in temporary quarters, at a reduced rate, adjacent to the new location while the build-out was being completed.

WRI presented a proposed sublease agreement for the agreed upon 5 year duration and specified costs and cost allocation to the partners based on a state developed template previously used in other locations. DWD and the Wisconsin Department of Administration (DOA) rejected this template, indicating that format was no longer in use, and indicated they would assume authorship of any subsequent sub-lease agreement. CIL proceeded to sign the originally proffered lease agreement. We have been attempting to obtain a signed sublease from DWD/DOA ever since to no avail. We have an extensive trail of communications to verify these attempts and a variety of stated reasons why those leases have not been forthcoming. Recently we were told that all leases are under review and will not be signed. Requests to obtain copies of the proposed leases have been rejected. Earlier drafts which we requested modest changes therein clearly indicate intent to sublease the specified space for 5 years.

Until recently, the last communication from DWD/DOA regarding this proposed sub lease was October 2007. At that time we were told that the River Falls lease would be dealt with first as a model and Rice Lake would follow. Repeated requests for the subleases at both locations were not answered.

On Tuesday, June 24, 2008 representatives from DWD/DOA informed us of their interest in entering into a renewable, one-year sublease for the current office space plus a .40 multiplier for common space charges not to include any Job Center, conference room or other space. Job Service would be vacating their space and this space would be made available to Vocational Rehabilitation. This space was needed to allow VR staff to vacate space which we have acquired for them in Neillsville and Balsam Lake. The net impact of this reduction in common space/job center space charges would be a loss of - \$51,784 over the remaining term of the master lease that we were asked by DWD to execute on their behalf. The original agreement and sublease proposal included DVR contributing proportionately to all common and shared space including Job Center resource space.

The Rice Lake Job Service staff person will now be required to commute well over two hours each day to her new location in Eau Claire. The current Neillsville VR person will commute from Cadott to Rice Lake and the Balsam Lake person will need to commute to Rice Lake. Basic Job Center customer coverage will be reduced as VR staff will not provide general Job Center assistance or pay for any general Job Center operating cost.

#### River Falls

During an earlier attempt by Job Service to remove staff from the Pierce County Job Center, then located in Ellsworth, Workforce Resource and the County Boards Consortium and Workforce Development Board intervened with Secretary Gassman and stopped the relocation to New Richmond. At that time, indications were made that if a more appropriate single location could be found to serve both Pierce and St. Croix Counties the local structure would attempt to secure such a location. The County Board Chairs agreed that if space could be located in River Falls, a community on the county line, that would be acceptable. In 2005, such a location was found. This was occurring simultaneously with the attempts to conclude a sublease in Rice Lake. Similarly, space needs were identified and agreed to, build-out was arranged a 5 year master lease agreed to and proposed subleases presented to partners. Similarly the initial sublease tender was rejected in favor of DWD/DOA assuming responsibility to draft sub-leases.

During the course of these negotiations, DWD/DOA indicated that the River Falls lease would take precedence and be negotiated first. During the build-out partners were given the option of enclosed offices or open space within which to place office partitions. All partners selected enclosed offices with the exception of Job Service opting for partitions. Space continued to be allocated based on original requests as the overall suite lay-out could not be changed. Upon installation of partitions that required less space than originally requested by Job Service, DWD/DOA indicated they desired to have the space in the DWD/DOA sublease reduced by 200 sq. ft. They were informed in September of 2007 that this was not possible as the build-out occurred based on their original request and no other partner could be expected to pick up this space cost. This was the last communication on River Falls from DWD/DOA. Repeated attempts to obtain sub leases went unanswered. The original agreement and sublease proposal included DVR contributing proportionately to all common and shared space including Job Center resource space.

On June 25<sup>th</sup>, 2008 representatives from DWD/DOA indicated that all DWD staff would vacate the River Falls Center and that no obligation existed for that space. The financial impact of two Job Service and three DVR staff vacating all River Falls Job Center space is \$122,892 over the remainder of the master lease through 2011. This will vacate 50% of the Job Center space and will leave the Center without a valid provider of general population services and services to individuals with disabilities. Job Service

staff residing in the River Falls area will be required to commute to Eau Claire. It is being proposed that DVR will relocate staff to the Menomonie Job Center.

The result will be that the closest comprehensive Center to Wisconsin's fastest growing county (St. Croix) will now be in Woodbury, Minnesota. This is at a time when we are struggling to retain Wisconsin workers, who are readily lured to Minnesota, for Wisconsin's employers.

### Menomonie

The Dunn County Job Center was built specifically for Job Center purposes and occupied in 1998. It was built to the specifications of Job Service, DVR and other Job Center partners. DWD/DOA entered into a five year lease with two-two year extensions that were exercised. Job Service continued to occupy space for a period of months following the completion of the second lease extension without a signed sub-lease and then vacated their space but continued to pay lease costs. DVR continues to occupy two offices and pays a percentage of common space but no share of Job Center space. As this building was built specifically for this purpose, overall space cost cannot be reduced by the departure of partners.

On June 24, 2008 DWD/DOA representatives presented an offer to expand the space currently occupied by DVR to include the staff from River Falls resulting in a need for the Job Service office space two additional offices and space for one cubicle for a one year renewable lease term. This would not include any contribution to Job Center Resource Room, conference room or space other than .4 factor for common space. Because this would be an increase in office space, it would result in a near break-even financial situation with the exception of it being based on occupancy of six office spaces, compared to the current situation which is based on four occupants. Therefore each proposed DWD occupant would be paying a significantly lower portion of the overall cost of the Center compared to other tenants. The threat was then made that if this was not found to be acceptable, all DVR/Job Service space would be vacated after July 1, 2008. We had received written notice of the intent to vacate what was regarded by DWD/DOA as a month-to-month tenancy by certified mail on June 16, 2008. The letter was dated May 30, 2008, but the post mark was June 11, 2008. This fails to meet the standard of sufficiency of notice for terminating a month-to-month tenancy.

Substitute notices were provided for Menomonie with revised dates for the proposed actions asking for our response to essentially the offer stated above, but effective July 15, 2008. In the meantime, Vocational Rehabilitation announced that they were leaving, turned in keys and vacated their space on June 30, 2008.

Under these two alternatives, we will experience either a \$68 loss over the remainder of the two year period necessary to fully retire the debt associated with building construction or a loss of \$30,386. We will either have to accept the total loss of commitment in River Falls or accept the total loss of space commitment in River Falls and Menomonie. Again access to services for the general public and individuals with disabilities will be severely restricted as these staff have now been sent to Eau Claire. We are unaware of any public notice being provided that DVR staff will no longer be available in Menomonie. Workforce Resource is left with the burden of informing customers of this fact with no information to what to tell them to do.

### Neillsville

Job Service vacated space in Neillsville several years ago and Workforce Resource assumed that cost as there was no way to reduce the space under the building configuration. DVR is now proposing to vacate the office they maintain at this Center effective July 1, 2008.

At the June 24, 2008 meeting with DWD/DOA representatives, we were informed of the intent to move the Neillsville DVR staff person to Rice Lake. This will leave Clark County without Job Service general public services or DVR service access for individuals with disabilities.

WRI was faced with the need to renew the lease for the full space including that of DVR. The minimum renewal period was through the end of 2010. A proposed sub-lease addendum was forwarded to DWD/DOA, as has been past practice and this addendum has not been acted upon. We had received written notice of the intent to vacate what was regarded by DWD/DOA as a month-to-month tenancy by certified mail on June 16, 2008. The letter was dated May 30, 2008, but the post mark was June 11, 2008. This fails to meet the standard of sufficiency of notice for terminating a month-to-month tenancy. The cost impact will be \$4,160 through the end of the lease term.

To the best of our knowledge the DVR staff person has vacated the Niellsville location and is now reporting to Rice Lake. Workforce Resource is left with the burden of informing customers of this fact with no information to what to tell them to do.

#### Balsam Lake

Job Service vacated space in Balsam Lake several months ago and Workforce Resource assumed that cost as there was no way to reduce the space under the building configuration. DVR is now proposing to vacate the office they maintain at this Center effective July 1, 2008.

At the June 24, 2008 meeting with DWD/DOA representatives, we were informed of the intent to move the Balsam Lake DVR staff person to Rice Lake. This will leave Polk County without Job Service general public services or DVR service access for individuals with disabilities.

WRI was faced with the need to renew the lease for the full space including that of DVR. The minimum renewal period was through the end of 2009. A proposed sub-lease addendum was forwarded to DWD/DOA, as has been past practice and this addendum has not been acted upon. We had received written notice of the intent to vacate what was regarded by DWD/DOA as a month-to-month tenancy by certified mail on June 16, 2008. The letter was dated May 30, 2008, but the post mark was June 11, 2008. This fails to meet the standard of sufficiency of notice for terminating a month-to-month tenancy. The cost impact of having to maintain this space will be \$2,900 through the end of the lease term.

To the best of our knowledge DVR staff person has vacated the Balsam Lake location and is now reporting to Rice Lake. Workforce Resource is left with the burden of informing customers of this fact with no information to what to tell them to do.

**Attachment III**  
**Alternative Proposal**  
**Workforce System Redesign and Improvement**  
**For West Central Wisconsin**

Please consider the proposal outlined below as an alternative to that presented in the Department of Workforce Development Workforce Redesign and Improvement Plan. This plan is provided only for consideration in West Central Wisconsin, and does not purport to be a plan that has universal application. We would not presume to have the knowledge of understanding of local circumstances elsewhere and believe that any alternatives considered for local areas should be derived from the Workforce Development Governance system for those regions.

It is our understanding that there are nine DWD Job Service staff allocated to West Central Wisconsin through Wagner Peyser, VETS and Trade Act funding. Currently Job Service staff are stationed in Chippewa Falls, Eau Claire, Rice Lake and River Falls. Vocational Rehabilitation staff were assigned to Menomonie, Rice Lake, River Falls, Balsam Lake, Neillsville, Eau Claire and Chippewa Falls.

1. Maintain Vocational Rehabilitation staff in current locations.
2. Maintain Job Service staff in their current locations reducing personal and reimbursed travel expense and eliminating the need to acquire additional space in Eau Claire
3. Evaluate options to fund each Job Service staff person in this region with a combination of Wagner Peyser, VETS and Trade Act funding to enhance job seeker outreach. Even consider allocating a portion of DVR funding to Job Service staff for outreach.
4. Evaluate the potential of assigning one combination funded Job Service staff person to Balsam Lake, Chippewa Falls, Neillsville, River Falls, Menomonie and Rice Lake with the remaining Job Service staff to Eau Claire.
5. Assign Job Service staff as the primary Job Seeker Customer Service representatives in each area Job Center charged with providing staff assisted core services, needs assessment and identification of Veterans, UI claimants, TAA eligibles, ( and potentially individuals with disabilities) provide service assistance (VETS, UI, TAA) or refer to agencies providing intensive services.
6. Modify information technology structures to move to more cost effective IT configurations than currently used by DWD. Workforce Resource has done this with substantial savings.
7. Honor current space commitments and reduce space as appropriate and feasible as commitments expire. – Workforce Resource will work with DWD to reduce infrastructure costs where feasible.

We believe that this proposal will be at least as cost effective as that proposed by the Department and will result in actual enhancement of services. We would be willing to have its effectiveness measured against the same criteria as recommended be developed in Attachment I.



**Plotkin, Adam**

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**From:** Bishop, Jennifer  
**Sent:** Monday, July 07, 2008 1:57 PM  
**To:** Plotkin, Adam  
**Subject:** FW:

**Attachments:**

Commentary\_Cover\_Letter.doc; DWD\_Restructuring\_Commentary.doc;  
Financial\_and\_Programmatic\_Impact.doc; Attachment\_III.doc; Gassman\_Appeal.doc



Commentary\_CoverLetter.doc (2...  
\_Letter.doc (2... \_Commentary.d...  
DWD\_RestructuringCommentary.doc  
Financial\_and\_Programmatic\_Imp...  
Attachment\_III.doc (26 KB)  
Gassman\_Appeal.doc (28 KB)

-----Original Message-----

**From:** Tierney, Michael  
**Sent:** Tuesday, July 01, 2008 9:00 AM  
**To:** Bishop, Jennifer  
**Subject:** FW:

Jen -

Here is some info from my friend Paul Gordon that will be helpful for Sen. Coggs meeting on 7/8.

-----Original Message-----

**From:** pgordonlaw@charter.net [mailto:pgordonlaw@charter.net]  
**Sent:** Monday, June 30, 2008 9:44 PM  
**To:** Tierney, Michael; Buhrandt, Jeff  
**Subject:**

Here are the documents



June 27, 2008

To the Governor, the State Senate, the State Assembly, Local Government Officials, Workforce Development Board Members, Workforce Development Professional and concerned citizens

Please consider the attached commentary and the request for intervention as an appeal from representatives of the Workforce Development system to delay or vacate implementation of the recently announced proposal of the Department of Workforce Development to consolidate services from 38 current Job Center sites into 12 urban locations.

It is our considered opinion that this proposal is not in the best interests of the job seekers, workers and employers of Wisconsin. The proposal in its current form lacks appropriate base-line measures, budgetary and service targets and evaluative criteria to assure accountability. The process from which it evolved failed to engage the legitimate Workforce Development Governance structures in local regions and has the potential to totally destabilize the current workforce development system in Wisconsin.

Please consider the proposal on page one requesting that the Secretary vacate this decision or hold its implementation in abeyance until at least December 31, 2008 to allow for appropriate benchmarks, goals and evaluative methods to be put in place and allow local areas to craft alternative strategies to attain those goals that are less injurious to the local Workforce Development system.

Please review the attached materials and consider adopting measures to address these concerns. We have attempted to alter this course of action prior to its implementation through interaction with the Department of Workforce Development and find that our concerns were not taken seriously. Therefore we feel we have no recourse but to seek remedies outside of the Department.

Respectfully  
Representatives of  
Wisconsin's Workforce Development Areas

**Attachment I**  
“Improvements to Wisconsin’s Employment and Training Services”  
An Alternate View

Secretary of the Department of Workforce Development, Roberta Gassman,, recently announced plans to “transform our employment and training services to best meet the needs of Wisconsin’s workers and employers in the 21<sup>st</sup> century” through a message entitled “Improvements to Wisconsin’s Employment and Training Services”. This original message, dated May 8, 2008, announced the redeployment of approximately 140 Job Service staff, from 38 Job Center locations across the state, into 12 urban centers. These staff, to be supplemented by enhanced technological support, will be sent out from these 12 centers to provide services to the more rural areas of the state. This initiative is purported to save infrastructure costs that will allow staff capability and training capacity to be increased.

The purpose of this narrative is to present an alternate view of these proposed structural changes. In our opinion this direction falls far short of representing “Improvement”. We take this step of contesting this decision with great trepidation as we feel there is no other recourse as earlier attempts to influence this policy direction have gone unheeded. The views expressed herein are held by significant numbers of those involved in Workforce Development including Workforce Development Board Members, Local Elected Officials, Workforce Development Administrators, Job Center Partners and staff practitioners. To remain silent in the face of an error of such magnitude would be a disservice to our roles as Workforce Development professionals and policy makers.

We clearly understand that reductions in funding necessitate increased efficiency and effectiveness in the use of these limited resources. Such efficiencies, however, are best realized by the active engagement of Workforce Development Boards, Local Elected Officials, Workforce Development Directors and Job Center Partners in consultation with the Wisconsin Department of Workforce Development. A thorough analysis of local needs, conditions and resources is needed to determine how best to deploy resources in the most effective and efficient manner. This proposed restructuring failed to actively engage the local Workforce Development Governance structure and therefore lacked sufficient analysis of local impact and ignored opportunities to achieve desired goals through collaborative efforts.

**We ask that the proposed redeployment and service site consolidation process be vacated or held in abeyance until, at least until December 31, 2008 to allow for the following alternative plan to be tested and/or proper analysis, base-line data, goals and evaluative processes put in place as follows:**

1. Actively engage the duly appointed Workforce Development Boards, Local Elected Officials and Workforce Administrators in each of the eleven workforce development areas, in partnership with the Council on Workforce Investment and the Department of Workforce Development in the development of strategies to achieve mutually agreeable goals.
2. Establish, through the collaborative process in point 1, clear budgetary and service level base-line benchmarks from which the success of any chosen strategy can be measured.
3. Develop, through the collaborative process in point 1, clear goals to be achieved by any subsequent strategy implementation
4. Implement, through the collaborative process in point 1, formal evaluation processes to determine the effectiveness of selected strategies in achieving agreed upon goals.

The information below is provided as documentation that these critical input and accountability factors are virtually absent (or if they exist they have not been made public) from the plan currently under consideration.

The Department's decision making process lacked appropriate outside input

This restructuring concept was first presented to a small group of local workforce development directors on April 25, 2008 through a series of Power Point slides. Input provided at the time suggested that other alternatives be considered and local Workforce Development Boards, Local Elected Officials and Regional Partnerships be consulted to find solutions more attuned to local needs. On Wednesday, May 7, 2008 the same information was presented to a full complement of Workforce Development Directors. Similar suggestions were made to engage the local workforce policy and governance structure in finding locally compatible solutions. The Directors were informed that they had one week to submit comments. No official written proposal was provided to react to. The following day (May 8), Secretary Gassman issued a letter by email to all Job Service and Division of Vocational Rehabilitation staff informing them of the restructuring that would be initiated almost immediately and completed by December 31, 2008. Job Service staff would be reassigned to the 12 designated urban sites and DVR staff reassigned to those 12 plus a limited number of other as yet to be determined locations.

Comments requesting consideration of alternatives and local input were forwarded despite the decision of the Secretary to pursue this course of action prior to the stated deadline. The advice and council of the legislatively authorized Workforce Development Boards was, however, ignored. The Governor's Council on Workforce Investment was informed of the decision. The decision to move forward with this strategy was rendered by the Secretary in consultation with its Chair and Executive Committee and the membership results of the decision which was presented as a finished product without debate or action. Those in attendance were told that this proposal had the full support of the Governor. During the meeting at which this strategy was unveiled to the full Council, the Secretary made numerous statements indicating that there was nearly universal support of this decision, with only limited concerns to be readily addressed by the Department which she pledged would act as a "good partner". A sweeping change effecting hundreds in the workforce development community and thousands of job seekers and employers was implemented with no formal review and comment period and no real consideration of the proper role of local decision makers.

The restructuring proposal failed to consider significant factors relating to efficiency and effectiveness

The Department's proposal indicates that money will be saved from leases and other infrastructure cost reductions that will allow investment in staff capacity. When asked to quantify the savings on a regional basis against which local cost saving alternatives could be compared, DWD representatives indicated that such regional figures could not be provided. Therefore, no base-line has been provided from which to tell if actual savings have been achieved. How can the success or failure of this strategy possibly be determined if no baseline cost and service data has been provided?

The proposal calls for the same number of staff to be maintained but in fewer locations as a presumption of cost savings. Many of the sites that will be abandoned are in rural areas, often with lower costs. Movement is planned to urban locations often with higher cost. One might logically conclude that the same number of staff will need the same amount of space and

abandoning lower cost space in favor of higher cost space will cost more not less. Never-the-less, with no comparison of the current costs and no accurate determination of the proposed cost in the new locations, it will be hard to judge if cost any savings or increases are being realized. **A thorough analysis of the actual current costs of facilities compared to the proposed cost of the restructuring is absent and must be provided.**

In many cases other organizations will have to pick up these same space and infrastructure costs as these commitments extend beyond the timetable proposed by DWD or the physical configuration of sites cannot be reduced just because a partner chooses to leave. Costs may be shifted but the system may not realize any savings. It has also been claimed that this theoretical reduction of infrastructure costs will result in increased training fund availability. In fact the opposite is likely to occur as training resources from partner organizations will have to be shifted to cover the unfunded infrastructure costs brought about by the redeployment. The Job Service budget where savings are purported to occur has no training fund and savings are undocumented. **An analysis to the impact of cost shifting must be provided.**

Additionally, most staff who will be relocated reside near their current Job Center locations. Many will be forced to travel to their new locations over great distances at increased personal expense and energy consumption. Many senior staff will choose to retire rather than take on this additional expense. With position freezes in place, these positions will not be refilled and, while this may actually result in some cost savings, service capacity will be lost.

The restructuring proposal also indicates that these same staff will then travel back to more remote locations to provide services which are much closer to the locations that are being abandoned. This will require costly travel reimbursement, high energy usage and considerable non-productive travel time necessary to get staff resources back to the areas that are deserted. **An analysis of the true cost of travel, both personal and programmatic as well as an analysis of the loss of productivity during extended travel time and the loss of staff capacity resulting from increased retirements or resignation must be completed to assure that this is an efficient approach.**

The major positive element of this restructuring proposal is the recognition of the need to more effectively reach out to under-utilized populations and bring their skills into alignment with the needs of the economy. The result, if successful, being to address the worker and skill shortages, strengthen the economy, raise the income levels of workers and enhance Wisconsin's tax-base - All very laudable goals. The proposal indicates that the centralization of DWD staff resources will improve these outcomes when accompanied with investments in technology that will substitute for the presence of staff in remote locations. **Measures on the impact on target populations is lacking and must be considered.**

Populations targeted by this proposed strategy are those least technologically able and lacking in access to technology. Technological solutions are of great assistance in this endeavor, but are of little use to those who lack access and capability to use technology without assistance. The staff assistance necessary to allow the full realization of technological solutions will now be far removed from the target populations - or as stated above costs will be incurred to bring the staff back out to the now remote locations. **The costs of the proposed technological solutions must be factored in to any pre-post cost comparison and service effectiveness and impact must be measured.**

Lastly, the Secretary has stated in at least three settings cited in this response including the most recent meeting of the Governor's Council on Workforce Investment (CWI) that current system

has served 14,000 people this past year and that this must be improved upon if the needs of Wisconsin's economy are to be met. She assured the audience that this restructuring proposal would reduce costs of infrastructure, raise staff capabilities and increase services through the redeployment of DWD human resources and increased use of technology. A member of the Council, asked if this was an accurate figure, and then observed that if so these 142 staff to be redeployed only serve 100 people each per year. The Secretary responded that staff from other agencies contribute to those service numbers. The Council member responded, "you mean to say that the number is then considerably less than 100 per staff?" No information to counter that perception was presented. The conclusion of the Council was that the system in its current configuration could never make a dent in the need for skilled Wisconsin workers and that drastic action was indeed required. Following this talk, a query of the Wisconsin's own Workforce Development Data System indicated the **actual level of individuals officially registered for service through the first eleven months of this year was in excess of 118,000.** The number registered is much less than the actual number served and does not include many of those touched by partner agencies beyond the Job Service.

Those of us in the observer audience were incredulous that such a low number was presented. We were not surprised, however, as we had heard this number cited by the Secretary on other occasions and concluded that its repeated use could no longer be interpreted as a misstatement. I would only hope that the public repetition of such a low service level would not be used as the measure from which service improvement for any revised system would be evaluated. **The measure of the impact of this restructuring must be taken from accurate base of information not the understatement that discredits the hard-working staff of the current Job Center system.**

Additionally, two members of the Council asked questions about the degree of acceptance this proposal was attaining, indicating that they had heard that there were concerns from many local areas and others who questioned the proposal. The Secretary informed the Council that there was little or no opposition and the concerns that had been registered largely related to lease costs and the Department would resolve these amicably as a "Good Partner" should. This is despite having received numerous verbal and written critiques of the proposal. The Chair of the Council indicated that only those areas plagued with poor performance were expressing concern, when analysis will show that expressions of strong opposition are coming from among the highest performing areas of the state. Critiques by news media were dismissed as being based on incomplete information.

The point of this narrative is not to seek confrontation or to cast blame, but to attempt to provide information that is not being provided by the proponents of this new strategy. It is an uncomfortable position to take, but one that must be presented to those who can still influence the final outcome to assure that the best interests of the job seekers, workers and employers of Wisconsin are well served.

**Attachment II**  
**Workforce Redesign and Improvement Plan Financial and Programmatic Impact**  
**On the West Central Wisconsin Workforce Development Area**

The following summary is provided to illustrate the severe implications, both financial and programmatic, that the proposal of the Secretary of the Department of Workforce Development (DWD) will have on the West Central Wisconsin Workforce Development Area. We entered into good faith agreements to secure space on behalf of DWD and we relied upon the stated commitments of the Department to our detriment as those commitments are now being reneged upon raising serious ethical if not legal concerns.

The proposed redeployment of staff by the Department of Workforce Development effects two Divisions of that Department, the Division of Vocational Rehabilitation and Job Service. The planned reassignment of Job Service and Vocational Rehabilitation staff persons, if fully implemented, will result in Job Service reneging on space obligations in River Falls, Rice Lake, and Chippewa Falls. Job Service recently vacated space in Menomonie and earlier in the year vacated space in Balsam Lake. Vocational Rehabilitation will renege on space obligations in River Falls, Balsam Lake, Neillsville and Chippewa Falls. Vocational Rehabilitation is requesting access to additional space in Rice Lake and Menomonie but if not granted will vacate all space to which they are currently committed.

This analysis pertains to locations where Workforce Resource is the master lease holder in Rice Lake, River Falls, Balsam Lake, Neillsville and the building owner in Menomonie. Chippewa Falls is also effected, but CVTC is the building owner at that location and would have to provide information on any impact at that location.

Programmatically this action will mean that Job Service, the only Job Center partner organization charged with providing services to the general public, will be absent from all area Job Centers with the exception of Eau Claire. Those members of the general public not eligible for WIA, or other targeted programs remaining in our Job Centers, will lose access to core services unless they expend considerable resources to travel to Eau Claire (see Attachment I for other implications). WIA services will be reduced as identified below as funds will be reallocated from training and services to meet the DWD obligations.

Additional space will have to be acquired in Eau Claire to house these relocated staff that may require acquisition of space outside of the current Job Center. This being done while space exists for these staff in their current locations. These staff will now incur excessive personal costs to travel to their new locations and then will be compensated in both time and mileage compensation to travel back out to remote locations under your plan.

The net financial impact on Workforce Resource, and thus the cost of these actions will be between \$181,000 and \$251,000. This amounts to between 9% and 11% of the region's Workforce Investment Act (WIA) allocation for the current year and will translate into a significant reductions in WIA services should this plan be fully implemented. The cost impacts are as follows:

|                   | <u>End Dates of Master Leases</u> | <u>Loss Option 1*</u> | <u>Loss Option 2</u> |
|-------------------|-----------------------------------|-----------------------|----------------------|
| Rice Lake –       | 11/31/2010                        | (\$91,205)            | (\$51,784)           |
| River Falls –     | 8/31/2011                         | (\$122,892)           | (\$122,892)          |
| Balsam Lake –     | 12/31/2009                        | (\$2,900)             | (\$2,900)            |
| Neillsville –     | 12/31/2010                        | (\$4,160)             | (\$4,160)            |
| Menomonie-        | 6/30/2010                         | (\$30,386)            | (\$68)               |
| <b>Total Loss</b> |                                   | <b>(\$251,543)</b>    | <b>(\$181,804)</b>   |

Option 1 involves the threatened total vacating of DWD space in all locations. Option 2 involves vacating of all space in River Falls, Neillsville, Balsam Lake and accepting relocation of DVR staff into Menomonie and Rice Lake and the resultant loss of contribution to Job Center operations in those locations.

These options were presented to us by representatives of DWD and the Department of Administration on June 24, 2008. In essence we were told to take option 2 or leave it. When asked about the ethical issues of renegeing on these commitments which were clearly documented in sublease documents drafted and currently in the possession of DOA, the DOA representative indicated that in the absence of a "signed" written sublease no legal commitment existed. When confronted with the ethical issue of DWD/DOA delaying and then withholding these same subleases he responded – "You should have been more persistent."

In each of these locations space was acquired or built to the specifications of Job Center partners, including Job Service and Vocational Rehabilitation with documented or implied commitments to continue occupancy through the terms of the master leases. Below you will find an explanation of the issues relating to that site.

### Rice Lake

After several years of operating out of multiple locations in Rice Lake a space sufficient to house all Job Center partners was found in 2005. DWD issued an RFP to assure the site was the most cost effective and upon settling on the current Job Center location asked Workforce Resource to act as the Master Leaseholder and negotiate space acquisition, build-out and occupancy. We were informed that we would need to conclude a master lease for the space prior to signature by the State of Wisconsin as this master lease would need to be attached and referenced in any subsequent sublease with State of Wisconsin.

A formal space request was approved by the Department of Workforce Development and partner space needs were verified by Workforce Resource prior to entering into the master lease agreement. The building owner indicated a need for a minimum 5 year lease in order to amortize costs of build-out within the lease rate structure desired by the tenants. Based on the acceptability of space allocation, terms and costs Workforce Resource (WRI) entered into a 5 year lease agreement on behalf of WRI, Job Service, Vocational Rehabilitation and the Center for Independent Living (CIL). Unlike DWD/DOA, CIL experienced a loss of need for space following signing of their sub-lease and asked for reduced space allocation. When informed that there was no option to shift cost to other partners, they continued to fulfill their obligations.

Due to a termination of the lease for the previously occupied DWD space, WRI even negotiated temporary space provisions for Job Service and VR to allow them to be housed in temporary quarters, at a reduced rate, adjacent to the new location while the build-out was being completed.

WRI presented a proposed sublease agreement for the agreed upon 5 year duration and specified costs and cost allocation to the partners based on a state developed template previously used in other locations. DWD and the Wisconsin Department of Administration (DOA) rejected this template, indicating that format was no longer in use, and indicated they would assume authorship of any subsequent sub-lease agreement. CIL proceeded to sign the originally proffered lease agreement. We have been attempting to obtain a signed sublease from DWD/DOA ever since to no avail. We have an extensive trail of communications to verify these attempts and a variety of stated reasons why those leases have not been forthcoming. Recently we were told that all leases are under review and will not be signed. Requests to

obtain copies of the proposed leases have been rejected. Earlier drafts which we requested modest changes therein clearly indicate intent to sublease the specified space for 5 years.

Until recently, the last communication from DWD/DOA regarding this proposed sub lease was October 2007. At that time we were told that the River Falls lease would be dealt with first as a model and Rice Lake would follow. Repeated requests for the subleases at both locations were not answered.

On Tuesday, June 24, 2008 representatives from DWD/DOA informed us of their interest in entering into a renewable, one-year sublease for the current office space plus a .40 multiplier for common space charges not to include any Job Center, conference room or other space. Job Service would be vacating their space and this space would be made available to Vocational Rehabilitation. This space was needed to allow VR staff to vacate space which we have acquired for them in Neillsville and Balsam Lake. The net impact of this reduction in common space/job center space charges would be a loss of - \$51,784 over the remaining term of the master lease that we were asked by DWD to execute on their behalf. The original agreement and sublease proposal included DVR contributing proportionately to all common and shared space including Job Center resource space.

The Rice Lake Job Service staff person will now be required to commute well over two hours each day to her new location in Eau Claire. The current Neillsville VR person will commute from Cadott to Rice Lake and the Balsam Lake person will need to commute to Rice Lake. Basic Job Center customer coverage will be reduced as VR staff will not provide general Job Center assistance or pay for any general Job Center operating cost.

#### River Falls

During an earlier attempt by Job Service to remove staff from the Pierce County Job Center, then located in Ellsworth, Workforce Resource and the County Boards Consortium and Workforce Development Board intervened with Secretary Gassman and stopped the relocation to New Richmond. At that time, indications were made that if a more appropriate single location could be found to serve both Pierce and St. Croix Counties the local structure would attempt to secure such a location. The County Board Chairs agreed that if space could be located in River Falls, a community on the county line, that would be acceptable. In 2005, such a location was found. This was occurring simultaneously with the attempts to conclude a sublease in Rice Lake. Similarly, space needs were identified and agreed to, build-out was arranged a 5 year master lease agreed to and proposed subleases presented to partners. Similarly the initial sublease tender was rejected in favor of DWD/DOA assuming responsibility to draft sub-lease language.

During the course of these negotiations, DWD/DOA indicated that the River Falls lease would take precedence and be negotiated first. During the build-out partners were given the option of enclosed offices or open space within which to place office partitions. All partners selected enclosed offices with the exception of Job Service opting for partitions. Space continued to be allocated based on original requests as the overall suite lay-out could not be changed. Upon installation of partitions that required less space than originally requested by Job Service, DWD/DOA indicated they desired to have the space in the DWD/DOA sublease reduced by 200 sq. ft. They were informed in September of 2007 that this was not possible as the build-out occurred based on their original request and no other partner could be expected to pick up this space cost. This was the last communication on River Falls from DWD/DOA. Repeated attempts to obtain sub leases went unanswered. The original agreement and sublease proposal included DVR contributing proportionately to all common and shared space including Job Center resource space. On June 25<sup>th</sup>, 2008 representatives



The financial impact of two Job Service and three DVR staff vacating all River Falls Job Center space is \$122,892 over the remainder of the master lease through 2011. This will vacate 50% of the Job Center space and will leave the Center without a valid provider of general population services and services to individuals with disabilities. Job Service staff who reside in the River Falls area will be required to commute to Eau Claire. It is being proposed that DVR will relocate to the Menomonie Job Center. St. Croix County is the fastest growing county in Wisconsin and the closest comprehensive Job Center in Wisconsin will be in Eau Claire. The Woodbury, Minnesota center will be much closer.

### Menomonie

The Dunn County Job Center was built specifically for Job Center purposes and occupied in 1998. It was built to the specifications of Job Service, DVR and other Job Center partners. DWD/DOA entered into a five year lease with two-two year extensions that were exercised. Job Service continued to occupy space for a period of months following the completion of the second lease extension without a signed sub-lease and then vacated their space but continued to pay lease costs. DVR continues to occupy two offices and pays a percentage of common space but no share of Job Center space. As this building was built specifically for this purpose, overall space cost cannot be reduced by the departure of partners..

On June 24, 2008 DWD/DOA representatives presented an offer to expand the space currently occupied by DVR to include the staff from River Falls resulting in a need for the Job Service office space two additional offices and space for one cubicle for a one year renewable lease term. This would not include any contribution to Job Center Resource Room, conference room or space other than .4 factor for common space. Because this would be an increase in office space, it would result in a near break-even financial situation with the exception of it being based on occupancy of six office spaces, compared to the current situation which is based on four occupants. Therefore each proposed DWD occupant would be paying a significantly lower portion of the overall cost of the Center compared to other tenants. The threat was then made that if this was not found to be acceptable, all DVR/Job Service space would be vacated after July 1, 2008. We had received written notice of the intent to vacate what was regarded by DWD/DOA as a month-to-month tenancy by certified mail on June 16, 2008. The letter was dated May 30, 2008, but the post mark was June 11, 2008. This fails to meet the standard of sufficiency of notice for terminating a month-to-month tenancy.

Under these two alternatives, we will experience either a \$68 loss over the remainder of the two year period necessary to fully retire the debt associated with building construction or a loss of \$30,386. We will either have to accept the total loss of commitment in River Falls or accept the total loss of space commitment in River Falls and Menomonie. Again access to services for the general public and individuals with disabilities will be severely restricted as these staff will either be sent to Eau Claire or told to work out of their homes.

### Neillsville

Job Service vacated space in Neillsville several years ago and Workforce Resource assumed that cost as there was no way to reduce the space under the building configuration. DVR is now proposing to vacate the office they maintain at this Center effective July 1, 2008.

At the June 24, 2008 meeting with DWD/DOA representatives, we were informed of the intent to move the Neillsville DVR staff person to Rice Lake. This will leave Clark County without Job Service general public services or DVR service access for individuals with disabilities.

WRI was faced with the need to renew the lease for the full space including that of DVR. The minimum renewal period was through the end of 2010. A proposed sub-lease addendum was forwarded to DWD/DOA, as has been past practice and this addendum has not been acted upon. We had received

written notice of the intent to vacate what was regarded by DWD/DOA as a month-to-month tenancy by certified mail on June 16, 2008. The letter was dated May 30, 2008, but the post mark was June 11, 2008. This fails to meet the standard of sufficiency of notice for terminating a month-to-month tenancy. The cost impact will be \$4,160 through the end of the lease term.

### Balsam Lake

Job Service vacated space in Balsam Lake several months ago and Workforce Resource assumed that cost as there was no way to reduce the space under the building configuration. DVR is now proposing to vacate the office they maintain at this Center effective July 1, 2008.

At the June 24, 2008 meeting with DWD/DOA representatives, we were informed of the intent to move the Balsam Lake DVR staff person to Rice Lake. This will leave Polk County without Job Service general public services or DVR service access for individuals with disabilities.

WRI was faced with the need to renew the lease for the full space including that of DVR. The minimum renewal period was through the end of 2009. A proposed sub-lease addendum was forwarded to DWD/DOA, as has been past practice and this addendum has not been acted upon. We had received written notice of the intent to vacate what was regarded by DWD/DOA as a month-to-month tenancy by certified mail on June 16, 2008. The letter was dated May 30, 2008, but the post mark was June 11, 2008. This fails to meet the standard of sufficiency of notice for terminating a month-to-month tenancy. The cost impact of having to maintain this space will be \$2,900 through the end of the lease term.

**Attachment III**  
**Alternative Proposal**  
**Workforce System Redesign and Improvement**  
**For West Central Wisconsin**

Please consider the proposal outlined below as an alternative to that presented in the Department of Workforce Development Workforce Redesign and Improvement Plan. This plan is provided only for consideration in West Central Wisconsin, and does not purport to be a plan that has universal application. We would not presume to have the knowledge or understanding of local circumstances elsewhere and believe that any alternatives considered for local areas should be derived from the Workforce Development Governance system for those regions.

It is our understanding that there are nine DWD Job Service staff allocated to West Central Wisconsin through Wagner Peyser, VETS and Trade Act funding. Currently they are stationed in Chippewa Falls, Eau Claire, Rice Lake and River Falls. Vocational Rehabilitation staff are assigned to Menomonie, Rice Lake, River Falls, Balsam Lake, Neillsville, Eau Claire and Chippewa Falls.

1. Maintain Vocational Rehabilitation staff in current locations.
2. Fund each Job Service staff person with a combination of Wagner Peyser, VETS and Trade Act funding. Even consider allocating a portion of DVR funding to Job Service staff for outreach.
3. Assign one combination funded Job Service staff person to Balsam Lake, Chippewa Falls, Neillsville, River Falls, Menomonie and Rice Lake. Assign the remaining Job Service staff to Eau Claire.
4. Assign Job Service staff as the primary Job Seeker Customer Service representatives in each area Job Center charged with providing staff assisted core services, needs assessment and referral to agencies providing intensive services.
5. Modify information technology structures to move to more cost effective IT configurations than currently used by DWD. Workforce Resource has done this with substantial savings.
6. Honor current space commitments and reduce space as appropriate and feasible as commitments come due.

We believe that this proposal will save more money than that proposed by the Department and will result in actual enhancement of services and would be willing to have its effectiveness measured against the same criteria as recommended be developed in Attachment I.

June 27, 2008

Roberta Gassman, Secretary  
Department of Workforce Development  
201 East Washington Avenue  
P.O. Box 7946  
Madison, WI 53707-7946

Dear Secretary Gassman

We hereby formally request that you vacate or significantly alter your policy direction issued under a May 8, 2008 cover entitled "Workforce Redesign and Improvements" and reissued on June 5, 2008 under the title "Upcoming Improvements to Wisconsin's Employment and Training Services". The central concept of this proposal is the reassignment of Job Service staff from their current locations to 12 urban sites, and the redeployment of Vocational Rehabilitation personnel to these sites and additional locations currently being identified.

It is our considered opinion, for the reasons stated in the attached document, that this proposal is not in the best interests of the job seekers, workers and employers of Wisconsin and is particularly not in the best interests of the West Central Wisconsin Workforce Development Area. We challenge the proposal's premises that services will be improved and cost savings will be realized.

The proposal in its current form lacks appropriate base-line measures, budgetary and service targets and evaluative criteria to assure accountability. The process from which it evolved failed to engage the legitimate Workforce Development Governance structures in local regions and has the potential to totally destabilize the current workforce development system in Wisconsin. Furthermore this proposal calls for renegeing on space and other facilities obligations in several locations within West Central Wisconsin that, if upheld, will result in considerable expense that can only come from reductions in local training and service capacity.

Please review Attachment I and particularly the recommendations on page one. We ask that you vacate or hold your decision in abeyance until at least December 31, 2008, to allow time for appropriate benchmarks, goals and evaluative methods to be put in place. Allow local governance structures to craft acceptable strategies to attain those goals.

We also ask that the Department honor its financial commitments for space as outlined in Attachment II of this message. We have acquired and are obligated for facilities payments extending to 2011 in some locations based on requests of your department to

secure that space on their behalf. Contrary to your assertions that we have refused to sign subleases offered to us, these subleases are in the possession of the Department of Administration. The Department of Administration refuses to release these documents that we have been requesting for months and we have the documentation to prove it.

We also ask that you review and allow implementation of the Alternative Proposal for West Central Wisconsin outlined in Attachment III to this document. We believe it is a superior approach for addressing the needs of the residents of West Central Wisconsin, will honor the commitments made by DWD and result in a more harmonious state-local relationship.

While we hope that this appeal will result in your altering this proposed course of action and allow for true local input, better performance, and greater accountability. Because of the nature of the release of the proposed plan and the determination to proceed with implementation without consideration for local input we are left with little recourse but to appeal your decision both within and outside of the Department.

Respectfully  
Executive Council  
West Central Wisconsin  
Workforce Development Area



**Plotkin, Adam**

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**From:** Dick Best [bestd@workforceresource.org]  
**Sent:** Monday, July 07, 2008 4:20 PM  
**To:** Sen.12; Sen.Carpenter; Sen.Coggs; Sen.Cowles; Sen.Darling; Sen.Decker; Sen.Ellis; Sen.Erpenbach;  
Sen.Fitzgerald; Sen.Grothman; Sen.Hansen; Sen.Harsdorf; Sen.Jauch; Sen.Kanavas; Sen.Kapanke;  
Sen.Kedzie; Sen.Kreitlow; Sen.Lasee; Sen.Lassa; Sen.Lazich; Sen.Lehman; Sen.Leibham; Sen.Miller;  
Sen.Olsen; Sen.Plale; Sen.Risser; Sen.Robson; Sen.18; Sen.Schultz; Sen.Sullivan; Sen.Taylor;  
Sen.Vinehout; Sen.Wirch  
**Subject:** DWD Redesign  
**Attachments:** Attachment I Alternative View.pdf; Legislator Governor Letter.pdf

Please take time to review the attached information pertaining to the proposed Redesign and Staff Redeployment recently announced by the Department of Workforce Development. This proposal has many potential negative effects on rural areas of Wisconsin. The enclosed materials provide suggested remedies.

Dick Best

Executive Director

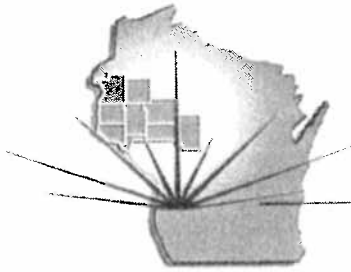
Workforce Resource, Inc.

401 Technology Drive East

Menomonie, WI 54751

715-232-7380 ext 105

07/07/2008



**West Central Wisconsin  
Workforce Development Board Inc.**

401 Technology Drive East, Suite 100, Menomonie, WI 54751-2383 • Phone: 715.232.1412 • Fax: 715.232.2240

July 1, 2008

To the Governor, the State Senate, the State Assembly, Local Government Officials, Workforce Development Board Members, Workforce Development Professional and concerned citizens

Please consider the attached commentary and the request for intervention as an appeal from representatives of the West Central Wisconsin Workforce Development Board, County Boards Consortium and Workforce Resource Board delay or vacate implementation of the recently announced proposal of the Department of Workforce Development to consolidate services from 38 current Job Center sites into 12 urban locations.

It is our considered opinion that this proposal is not in the best interests of the job seekers, workers and employers of Wisconsin. The proposal in its current form lacks appropriate baseline measures, budgetary and service targets and evaluative criteria to assure accountability. The process from which it evolved failed to engage the legitimate Workforce Development Governance structures in local regions and has the potential to totally destabilize the current workforce development system in Wisconsin.

Please review the enclosed information and ask Workforce Development Secretary, Roberta Gassman, to vacate this decision or hold its implementation in abeyance until at least December 31, 2008. Require that appropriate goals and measures of accountability be put in place prior to implementation of any strategy. Empower local Workforce Development Boards and their Local Elected Official partners to assume their legitimate roles in analyzing local needs and crafting strategies to address those needs through means that will maximize resource effectiveness. Hold responsible parties accountable for success.

Thank you for your consideration of this request and we look forward to assisting Wisconsin to meet its essential Workforce Development needs.

On behalf of the West Central Wisconsin Workforce Development Area

Linda Clark, Chair  
West Central Wisconsin  
Workforce Development Board

Paul Gordon, Chair  
Workforce Resource, Inc.

Colleen Bates  
Chief Elected Official  
West Central Wisconsin  
County Boards' Consortium

Richard Best  
Executive Director  
Workforce Resource, Inc.



## Attachment I

### An Alternative View of "Improvements to Wisconsin's Employment and Training Services"

Wisconsin's demographic trends, job growth projections and replacement worker needs - coupled with a growing mismatch between the skills possessed by the workforce and those required by employers - indicate a pending crisis in workforce and economic development. Estimates recently provided by the Department of Workforce Development (DWD) indicate the need to identify and prepare between 500,000 and 750,000 appropriately skilled workers over the next decade. Wisconsin's Workforce Development and Job Center system is best positioned to meet this challenge as the most accessible and effective means to match the needs of the workforce to the needs of employers. This Workforce System is itself in crisis, brought on by years of insufficient investment and now - a flawed restructuring plan.

Secretary Roberta Gassman announced plans to "transform our employment and training services to best meet the needs of Wisconsin's workers and employers in the 21<sup>st</sup> century" through a May 8, 2008 internal DWD message entitled "Improvements to Wisconsin's Employment and Training Services". This message announced the redeployment of approximately 140 Job Service staff, from 38 Job Center locations across the state, to 12 urban centers entitled "DWD Skill and Career Centers." It also announced that Division of Vocational Rehabilitation (DVR) staff would be assigned to these 12 centers and such "additional 'contact point' locations to meet the business needs to effectively serve DVR customers."

Under this proposal Job Service and DVR will serve rural populations remotely, supported with as yet to be fully developed "Virtual Job Center" technology and will travel back out to unspecified non-Job Center locations in rural areas to provide services. This will leave most current Job Centers without the one resource charged with serving the general public (Job Service) and without the resource charged with serving our most vulnerable customers with disabilities (DVR). The announcement indicates that there will be "no position reductions and all staff will have the opportunity to relocate to the new regional headquarter locations..." and that this transformation would be completed by December 31, 2008. This initiative is purportedly driven by the desire to maintain staff through infrastructure cost savings.

While we applaud Secretary Gassman and the Department's recognition that this workforce development challenge requires creative solutions to identify and prepare all of Wisconsin's under-utilized and under-skilled job seekers and workers, we differ strongly on method. The following represents a different view of the structural changes proposed by the Secretary. A view based upon knowledge of local conditions and extreme concern for the impact this proposal will have on the Job Seekers, Workers and Employers of Wisconsin who will need workforce development services more than at any time in history. This alternative view contends that those most in need will be those least likely to be effectively served due to restricted service access with no guarantee of cost savings or gains in system efficiency.

**Therefore, we ask that the proposed redeployment and service site consolidation process be vacated or held in abeyance until, at least until December 31, 2008 to allow for further analysis and development of locally responsive alternatives which will:**

1. Actively engage the Wisconsin's Workforce Development Boards, Local Elected Officials and Workforce Development Professionals in their legitimate Workforce Policy Development roles.
2. Collaboratively establish clear budgetary and service level base-line data from which the success of any chosen strategy can be measured.
3. Collaboratively develop clear goals and outcome measures to be achieved by any chosen strategy
4. Result in collaborative outcome driven strategies responsive to state and local needs.
5. Include strict measures of accountability and collaboratively developed evaluation processes.
6. Reduce facilities and infrastructure costs where feasible while honoring all remaining financial obligations for facilities acquired on behalf of the Department.

The information below is provided as documentation that critical input and accountability factors are absent from the Department's plan. The point is not to cast blame but to bring about a more effective response to identified challenges. It is uncomfortable to challenge the Department and Secretary that has power and influence over your future. However, when opportunities to influence policy development are severely limited and the input provided has no impact we reluctantly take the only recourse available to us – to seek assistance from those who may still influence the final outcome and assure that the best interests of the Wisconsin's job seekers, workers and employers are served.

The proposed strategy negatively impacts on Wisconsin's Job Seekers, Workers and Employers

We contend that the strategy currently being implemented will limit service access and reduce service capacity and quality largely as the result of failure to consult with legitimate local decision makers and thus adequately consider local needs and circumstances. Considerable detail is provided in the balance of this document, but in summary we fear services to the general public will be less accessible as those services are concentrated in a very few locations, leaving the vast majority of the state farther from those services. Cost to job seekers to access services or to bring those services to them from central locations will be more costly than the current network of accessible Job Centers. The populations targeted by this initiative have the least access and capability to benefit from technological solutions. Funds will be shifted from training to infrastructure in order to compensate for the loss of contribution from DWD in locations where space cannot be reduced. In one area alone between \$180,000 and \$250,000 will need to be shifted from training to facilities costs to make up for the DWD losses.

The Department's decision making process lacked appropriate outside input

This restructuring concept was first presented to a small group of local workforce development directors on April 25, 2008 through a series of Power Point slides. Input provided at the time suggested that other alternatives be considered and local Workforce Development Boards, Local Elected Officials and Regional Partnerships be consulted to find solutions more attuned to local needs. On Wednesday, May 7, 2008 the same information was presented to a full complement of Workforce Development Directors. Similar suggestions were made to engage the local workforce policy and governance structure in finding locally compatible solutions. The Directors were informed that they had one week to submit comments. No official written proposal was provided to react to. The following day (May 8), Secretary Gassman issued a letter by email to all Job Service and Division of Vocational Rehabilitation staff informing them of the restructuring that would be initiated almost immediately and completed by December 31, 2008. Job Service staff would be reassigned to the 12 designated urban sites and DVR staff reassigned to those 12 plus a limited number of other as yet to be determined locations.

Comments requesting consideration of alternatives and local input were forwarded despite the decision of the Secretary to pursue this course of action prior to the stated deadline. The advice and council of the legislatively authorized Workforce Development Boards was, however, ignored. The Governor's Council on Workforce Investment was informed of the decision. The decision to move forward with this strategy was rendered by the Secretary in consultation with its Chair and Executive Committee and the membership results of the decision which was presented as a finished product without debate or action. Those in attendance were told that this proposal had the full support of the Governor. During the meeting at which this strategy was unveiled to the full Council, the Secretary made numerous statements indicating that there was nearly universal support of this decision, with only limited concerns to be readily addressed by the Department which she pledged would act as a "good partner". A sweeping change effecting hundreds in the workforce development community and thousands of job seekers and employers was implemented with no formal review and comment period and no real consideration of the proper role of local decision makers.

At the most recent Governor's Council on Workforce Investment (CWI) meeting, two members of the Council asked questions about the degree of acceptance of this proposal. They indicated that they had heard there were concerns being expressed from many who questioned the proposal. The Secretary informed the Council that there was little or no opposition and the concerns that had been registered largely related to lease costs which the Department will resolve amicably as a "Good Partner." This statement was made despite having received verbal and written critiques of the proposal. The CWI Chair indicated that only those areas plagued with poor performance were expressing concern. Analysis will show that expressions of strong opposition had been submitted from among the highest performing areas of the state. Critiques by news media were cited, but dismissed as being based on incomplete information.

The proposal failed to consider significant factors relating to cost, efficiency and effectiveness

The Department's proposal indicates that money will be saved from leases and other infrastructure cost reductions that will allow investment in staff capacity. When asked to quantify the savings on a regional basis against which local cost saving alternatives could be compared, DWD representatives indicated that such regional figures could not be provided. Therefore, no base-line has been provided from which to tell if actual savings have been achieved. **How can the success or failure of this strategy possibly be determined if no baseline cost and service data has been provided?**

The proposal calls for the same number of staff to be maintained but in fewer locations as a presumption of cost savings. Many of the sites that will be abandoned are in rural areas, often with lower costs. Movement is planned to urban locations often with higher cost. One might logically conclude that the same number of staff will need the same amount of space and abandoning lower cost space in favor of higher cost space will cost more not less. Never-the-less, with no comparison of the current costs and no accurate determination of the proposed cost in the new locations, it will be hard to judge if cost any savings or increases are being realized. **A thorough analysis of the actual current costs of facilities compared to the proposed cost of the restructuring is absent and must be provided.**

Much of the excess space that the department is faced with maintaining is in the high cost urban centers that the Department is transferring staff to while space more convenient to Job Seekers and employees is being abandoned. **Why is the Department favoring the maintenance of higher cost urban space over lower cost, more accessible, rural locations?** Why not abandon the excess space in these urban centers and keep staff closer to their customers and their homes?

In many cases other organizations will have to pick up these same space and infrastructure costs as these commitments extend beyond the timetable proposed by DWD or the physical configuration of sites cannot be reduced just because a partner chooses to leave. Costs may be shifted but the system may not realize any savings. It has also been claimed that this theoretical reduction of infrastructure costs will result in increased training fund availability. In fact the opposite is likely to occur as training resources from partner organizations will have to be shifted to cover the unfunded infrastructure costs brought about by the redeployment. The Job Service budget where savings are purported to occur has no training fund and savings are undocumented. **An analysis to the impact of cost shifting must be provided.**

Additionally, most staff who will be relocated reside near their current Job Center locations. Many will be forced to travel to their new locations over great distances at increased personal expense and energy consumption. Many senior staff will choose to retire rather than take on this additional expense. We understand that 12 individuals have done so already and more. With position freezes in place, these positions will not be refilled and, while this may actually result in some cost savings, service capacity will be lost.

The restructuring proposal also indicates that these same staff will then travel back to more remote locations to provide services which are much closer to the locations that are being abandoned. This will require costly travel reimbursement, high energy usage and considerable non-productive travel time necessary to get staff resources back to the areas that are deserted. **An analysis of the true cost of travel, both personal and programmatic as well as an analysis of the loss of productivity during extended travel time and the loss of staff capacity resulting from increased retirements or resignation must be completed to assure that this is an efficient approach.**

The proposal lacks clearly stated goals, outcome measures and evaluative processes

The major positive element of this restructuring proposal is the recognition of the need to more effectively reach out to under-utilized populations and bring their skills into alignment with the needs of the economy. The result, if successful, being to address the worker and skill shortages, strengthen the economy, raise the income levels of workers and enhance Wisconsin's tax-base - All very laudable goals. The proposal indicates that the centralization of DWD staff resources will improve these outcomes when accompanied with investments in technology that will substitute for the presence of staff in remote locations. **Measures on the impact on target populations are lacking and must be developed.**

Populations targeted by this proposed strategy are those least technologically able and are often lacking in access to technology. Technological solutions are of great assistance in this endeavor, but are of little use to those who lack access and capability to use technology without assistance. The staff assistance necessary to allow the full realization of technological solutions will now be far removed from the target populations - or as stated above costs will be incurred to bring the staff back out to the now remote locations. **The costs of the proposed technological solutions must be factored in to any pre-post cost comparison and service effectiveness and impact must be measured.**

The Secretary has stated on several occasions, including the most recent meeting of the Governor's Council on Workforce Investment (CWI), that current system has served 16,600 people this past year and that this must be improved upon if the needs of Wisconsin's economy are to be met. She assured the audience that this restructuring proposal would reduce costs of infrastructure, raise staff capabilities and increase services through the redeployment of DWD human resources and increased use of technology. A CWI member observed that if these figures are correct the 142 staff to be redeployed serve just over 100 people each per year. The Secretary responded that staff from other agencies contribute to those service numbers. To which the member responded, "you mean to say that the number is less than 100 per staff, per year?" Another member commented that if this is so the system could never make a dent Wisconsin need for skilled workers. A subsequent query of the Wisconsin's own Workforce Development Data System shows that **124,726 individuals were officially registered for service between July 1, 2007 and June 27, 2008.** It should be noted that the Job Center system serves many more people than those officially registered as that number does not include much of the walk-in traffic and many thousands touched by other partner agencies. One would only hope that the public repetition of such a low service level would not be used as the measure from which service improvement for any revised system would be evaluated.

The proposal indicates service improvements and cost savings but does not establish any specific service, cost or outcome measures. The proposal does not state definitive, accurate baseline data from which to measure improvement, nor does it specify any evaluation methodology. **Clear, accurate baseline service and cost data, appropriate outcome measures and effective evaluation methods must be established to assure accountability.**

Thank you for your attention to this matter of great importance to Wisconsin's job seekers, workers and employers.