



## Legislative Fiscal Bureau

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May 13, 2013

Joint Committee on Finance

Paper #739

### **Bureau of Workforce Information and Technical Support -- 2.00 Positions (DWD)**

[LFB 2013-15 Budget Summary: Page 518, #15]

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#### **CURRENT LAW**

The Office of Economic Advisors (OEA) is located in the Office of the Secretary at the Department of Workforce Development (DWD). The OEA employs economists and analysts who serve in regions throughout the state to: (a) research the relationships between labor markets and other economic and demographic factors; (b) provide analysis, economic reports, and an overview of county and state labor market data and economic trends; and (c) assist in the development of metrics that measure and report on state economic development initiatives. OEA is supported through federal Wagner Peyser and Workforce Information Grant (WIG) monies. One position is funded with PR generated from intra-agency charges.

The Information Technology (IT) Coordination Section is located in the Division of Employment and Training's (DET) Bureau of Program Management and Special Population. The IT Coordination Section is responsible for division-wide services for DET's automated systems that support administration of the Division's programs and is funded with federal monies provided for administrative costs under the Workforce Investment Act.

The Labor Market Information Section (LMIS) is located in DET's Bureau of Workforce Training. LMIS produces information on employment, unemployment, mass layoffs, job creation, and wages. One position is funded through federal WIG monies and the other 18 positions are funded through the federal Bureau of Labor and Statistics grant. LMIS provides baseline information necessary to evaluate program outcomes in terms of new employment and wage levels, which are necessary for the allocation of federal funding among the states. LMIS provides access to employment related information to the general public, other government agencies, and academic researchers.

Overall funding and position authority for OEA, the IT Coordination Section, and LMIS is shown in Table 1.

**TABLE 1**

**Current Funding and Position Levels**

Fund Source	OEA		IT Coordination Section		LMIS		Total Funding	
	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding
PR	1.00	\$91,300	0.00	\$0	0.00	\$0	1.00	\$91,300
FED	11.00	1,001,300	7.00	750,500	19.00	2,056,400	37.00	3,808,200
Total	12.00	\$1,092,600	7.00	\$750,500	19.00	\$2,056,400	38.00	\$3,899,500

**GOVERNOR**

Provide \$109,700 GPR in 2013-14 and \$146,000 GPR in 2014-15, and 2.00 GPR positions, annually, in DWD's general program operations appropriation. According to the Department, the authorized positions would be for one Bureau Director and one Program and Policy Analyst -- Advanced. The positions would be located a newly-created Bureau of Workforce Information and Technical Support in DET.

**DISCUSSION POINTS**

1. On May 4, 2011, DWD received a letter from the U.S. Department of Labor (DOL) identifying areas that the Department must improve on to meet federal standards. DOL's comprehensive review of workforce programs in Wisconsin identified ineffective internal communication within DWD. Specifically, DOL's letter specified that the federal WIG provisions require consultation between the state workforce agency, state and local workforce investment boards, regional economic development leadership within the state, other economic development organizations, and strategic partners and stakeholders. According to the federal government, OEA (economic analysis) and LMIS (labor market information), which are both funded through WIG monies, are not meeting the program's objectives because they are "organizationally split" and "very little collaboration and partnering is occurring between the two units." According to DOL, Wisconsin has not been rated as highly as other states that have a single division that is clearly defined and coordinated in achieving workforce deliverables when competing for discretionary federal grants. The federal review required OEA and LMIS to "craft a strategy for partnering with each other to provide a high level of service to their mutual customer groups."

2. To meet the federal objectives described above, the administration has proposed creating a single Bureau of Workforce Information and Technical Support (BWITS) in DET. The Governor's proposal would provide \$146,000 GPR and 2.00 GPR positions on an annualized basis for one Bureau Director position and one Office Associate position, who would provide oversight of activities performed by the Bureau. The Department indicates that the reorganization would move annual funding and position authority from the three sections described in Table 1 to BWITS. It

should be noted that, under the reorganization, the 1.00 PR position in OEA would be converted to a FED position and would be replaced with annual funding of \$91,300 FED. The \$91,300 PR would be retained by the Office of the Secretary for general administrative services.

3. According to DWD, BWITS would implement and manage a comprehensive department-wide labor market information resource and public information program that disseminates labor market and economic information and analyses. The Bureau would also provide economic advice to the Secretary of DWD, other state agencies, the Governor's office, Wisconsin employers, and the general public relating to labor force and labor market trends, data, and projections. BWITS would also be responsible for the operation of the Bureau of Labor Statistics' federal-state cooperative programs and WIG deliverables. The Department indicates that the proposed reorganization would remove organizational and procedural barriers that have prevented the efficient sharing of information between LMIS and OEA, as required under the federal WIG program.

4. The two requested positions are intended to provide management and coordination between the three sections reorganized under BWITS. The Department indicates that GPR monies were requested because the primary activities of the Bureau Director and the Program and Policy Analyst positions would be for state functions that cannot be supported with federal funding, such as serving as liaison to the Governor's Office and the State Legislature, testifying on behalf of the state at unemployment insurance hearings, and coordinating facility use. The Department also indicated that the additional 2.00 GPR positions were requested because existing staff does not have the expertise to perform the functions that would be required of these two new positions.

5. Under the proposed reorganization, the functions of the employees transferred from OEA, LMIS, and the IT Coordination section would generally be similar to their current functions. Employees from the IT Coordination Section would have additional responsibility for oversight and publishing authority of the Bureau's relevant labor market data and analysis. As proposed by the administration, the newly-created BWITS would have total position authority of 40.00 positions and annual funding of \$4,132,400. Details for annual position authority and funding that would be transferred to and provided to BWITS are shown in Table 2.

**TABLE 2**

**Proposed Annual Funding and Position Levels for the Bureau of Workforce Information and Technical Support**

Fund Source	OEA		IT Coordination Section		LMIS		2.00 New Positions		Total BWITS Funding Level	
	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions	Funding
GPR	0.00	\$0	0.00	\$0	0.00	\$0	2.00	\$146,000	2.00	\$146,000
Unknown	0.00	0	0.00	0	0.00	0	0.00	86,900	0.00	86,900
FED	12.00	1,092,600	7.00	750,500	19.00	2,056,400	0.00	0	38.00	3,899,500
Total	12.00	\$1,092,600	7.00	\$750,500	19.00	\$2,056,400	2.00	\$232,900	40.00	\$4,132,400

6. As shown in Table 2, total costs for the two additional GPR positions are estimated at \$232,900. The Governor's proposal provides only \$146,000 GPR on an annualized basis. According to the Department of Administration (DOA), the Governor's recommendation reflects approval of 2.00 GPR positions but funding in an amount to support only the Bureau Director position. DOA indicates that the administration provided 2.00 GPR positions because it believed that DWD could accomplish its goals with only one additional position, but provided flexibility for the Department to hire a second position if it chose to do so. DWD reports that additional funding of \$86,900 would be needed to support the Program and Policy Analyst position. The Department indicates that the two requested positions are a priority and that other fund sources, to the extent possible, would be used to pay for these positions. The Department has not identified a source of funding for these positions.

7. The Committee could choose to provide additional GPR funding of \$65,200 in 2013-14 and \$86,900 in 2014-15 to support the Program and Planning Analyst position, for which DOA had recommended providing position authority. The Committee could also choose to delete this position, since it is not funded under the bill.

8. As noted, DWD anticipates that BWITS, as reorganized under DET, would meet federal requirements for the WIG program. It could be argued that the Department's reorganization would not significantly expand the overall workload or mission of the Department, but would create two new supervisory positions without increasing the number of supervised employees. Departmental reorganizations are generally performed to create efficiencies in delivering services and/or reduce overall departmental costs; however, the proposed reorganization would require additional positions and funding. If the Committee chose to delete the Governor's request, the Department could still reorganize in a way that combined the three sections into one bureau; however, the Department would have to reorganize in a way that used existing funding and staff.

**ALTERNATIVES**

1. Approve the Governor's request. Provide \$109,700 GPR in 2013-14 and \$146,000 GPR in 2014-15, and 2.00 GPR positions annually in DWD's general program operations appropriation.

2. Approve the Governor's request, but provide additional \$65,200 GPR in 2013-14 and \$86,900 GPR in 2014-15 in DWD's general program operations appropriation to support the Program and Policy Analyst position, for which position authority was recommended by the Governor.

<b>ALT 2</b>	<b>Change to Bill Funding</b>
GPR	\$152,100

3. Modify the Governor's request to delete the Program and Policy Analyst position, for which the Governor did not recommend providing funding.

<b>ALT 3</b>	<b>Change to Bill</b>	
	Position	
GPR		- 1.00

4. Delete provision.

<b>ALT 4</b>	<b>Change to Bill</b>	
	Funding Positions	
GPR	- \$255,700	- 2.00

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