

# Wisconsin's Workforce Development System

Adapted with permission from a September 2008 publication developed by the Public Policy Forum with funding from the Wisconsin Department of Workforce Development and the Joyce Foundation

*In FY 2008, \$339 million was spent for employment and training of Wisconsin's workforce. The dollars flow through 6 federal agencies, 8 state administrative departments, and 36 different programs. Despite recent reductions, W-2 remains the state's largest workforce development program. Wisconsin relies on the federal government for 83% of its employment and training dollars; Wisconsin provides only 17% of the funding, which appears to be a lower percentage than many other states. From 2006 to 2016, Wisconsin is expected to face a shortage of skilled workers, with two-thirds of the 96,460 job openings requiring some form of training. Wisconsin spends an estimated \$34 million annually for job-specific training, well short of the projected cost of \$120 million.*

This report of Wisconsin's workforce development system aims to graphically display state and federal funding devoted to employment and training programs in Wisconsin. A broad range of programs are reviewed, including on-the-job training along with job search and placement intended to overcome transportation and language barriers. This resource map was developed to provide policymakers with a clear picture of "what is" as they make decisions about "what ought to be."

## How Much Money is Wisconsin Spending on Workforce Development Programs?

In fiscal year 2008, \$339 million was spent to address the employment and training needs of Wisconsin's workforce. In sum, these dollars flow through 6 federal agencies, 8 state administrative departments, and 36 different programs. However, the vast majority of funding is concentrated in two agencies—the Department of Workforce Development and the Department of Children and Families.

**Table 1.** Workforce development funding by state administrative department

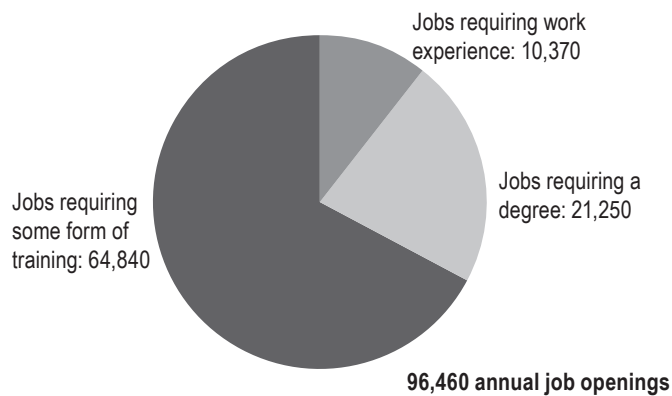
	Number of programs	Total funding for Fiscal Year 2008	% of total funding
Department of Workforce Development	12	\$143,273,663	42%
Department of Children and Families	2	\$96,716,100	29%
Wisconsin Technical College System	5	\$34,475,693	10%
Department of Health Services	6	\$29,057,786	9%
Department of Corrections	2	\$20,845,200	6%
Department of Public Instruction	1	\$9,803,101	3%
Department of Commerce	5	\$3,974,784	1%
Department of Veterans Affairs	3	\$1,117,500	0.3%
Total	36	\$339,263,827	

## How Much Need is There for Employment and Training Services?

As baby boomers retire, the number of participants in the state's labor force is expected to decline. According to the Wisconsin Department of Administration, the projected working population in the state (ages 18-64) will peak in 2015 at 3.7 million, and then decline to 3.63 million by 2030. This shrinking labor supply is a concern because a strong economy depends on a steady supply of workers.

From 2006 to 2016, Wisconsin is expected to face a shortage of skilled workers. In large part, these workers will need specific skills, not formal degrees. Of the 96,460 projected job openings each year, two-thirds (67%) will require some form of training.

**Figure 1.** Projected annual number of job openings in Wisconsin between 2006 and 2016, by typical education or training path.

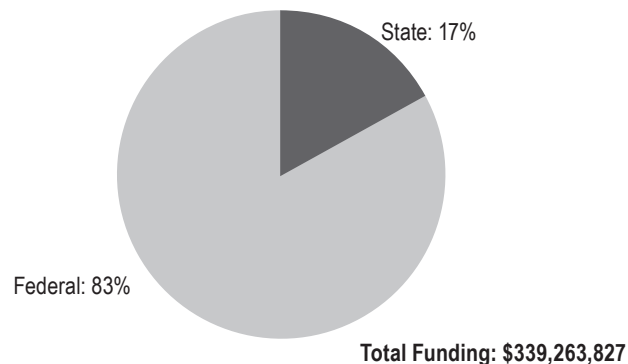


Source: "Wisconsin Occupational Projections, 2006-2016," Wisconsin Department of Workforce Development Office of Economic Advisors.

## Is Wisconsin's Workforce Development System Funded Largely by Federal or State Dollars?

Wisconsin relies on the federal government for 83% of its funding. Typically federal funds have more restrictions and are targeted toward specific populations.

**Figure 2.** Origins of workforce development funding in Wisconsin.



In inflation-adjusted dollars, federal funding for the state’s eight largest federally-funded workforce development programs has dropped 39% from 1985 to 2008. Most of the decline is due to a 73% drop in funding for the Workforce Investment Act (WIA) and its predecessor, the Job Training Partnership Act (JTPA). The 23-year slide in federal funding of workforce development also stems from a 51% reduction in Wagner-Peyser Job Service funding and a 22% drop in Carl Perkins Vocational and Technical Education funding levels.

Wisconsin provides about 17% of all employment and training dollars, which appears to be a lower percentage than many other states. This comparison is limited, however, because these data are not available from all 50 states.

**Table 2.** Origins of workforce development funding, ranked by share of state support

	Federal	State
New York, FY03	55%	45%
Massachusetts, FY06	62%	38%
Minnesota, FY02	67%	33%
Tennessee, FY03	68%	32%
Illinois, FY02	69%	31%
Texas, FY02	71%	29%
Ohio, FY07	76%	24%
Wisconsin, FY08	83%	17%

\*FY stands for “Fiscal Year” and in this table indicates the year of the source data

### What Workforce Development Programs Exist in Wisconsin?

Wisconsin’s workforce development programs are summarized in Table 3. The state’s largest workforce development program is W-2, which provides 27% of all funding on the resource map (see Table 3). W-2 provides cash payments along with employment and training benefits to income-qualified working parents.

W-2 is the state’s largest workforce development program accounting for 27% of all funding on the resource map. W-2 remains a viable source of workforce training despite a 58% reduction in funds between 2005 and 2008. Funding reductions can be explained by declining caseloads and a shift of resources toward child care subsidies.

**Table 3. A Resource Map Summarizing Workforce Development Programs in Wisconsin**

State Agency	Department of Workforce Development											
	Workforce Investment Act (WIA)	Wagner-Peyser Labor Exchange (Job Service)	Veterans Employment and Training Programs	Trade Adjustment Assistance (TAA) and NAFTA-TAA	Workforce Information Grants	Work Opportunity Tax Credit	Children First Program	Vocational Rehabilitation Act	Youth Apprenticeship	WI Employment Transportation Assistance Program <sup>5</sup>	Boys and Girls Clubs	Refugee Employment and Training
<b>Funding</b>												
Federal <sup>1</sup>	\$37,086,620	\$13,108,238	\$2,954,000	\$9,680,883	\$605,539	\$255,840	\$0	\$55,705,100	\$0	\$3,238,049	\$350,000	\$1,594,194
State <sup>2</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$1,140,000	\$15,156,500	\$1,512,600	\$886,100	\$0	\$0
Total	\$37,086,620	\$13,108,238	\$2,954,000	\$9,680,883	\$605,539	\$255,840	\$1,140,000	\$70,861,600	\$1,512,600	\$4,124,149	\$350,000	\$1,594,194
<b>Service providers</b>	Workforce Development Boards, Job Centers	Job Centers	Job Centers	Job Centers	Department of Workforce Development	Employers	W-2 agencies	Contractors	High schools, Tech schools, Chambers, CESAs	Community-based organizations, local transit system	Boys and Girls Clubs	Community-based organizations
<b>Services</b>												
Job training	X			X			X	X	X			X
Job search	X	X	X	X			X	X				
Job placement	X	X	X				X	X				
Work supports	X			X				X		X		
Work readiness	X							X			X	
Basic education	X							X				X
<b>Other services</b>	Career planning	Online job search tool (JobNet)	Case management		Workforce information (WORKnet)	Federal income tax credit for employers	Case management	Case management		Job retention		
<b>Target customer</b>	Adults; dislocated workers; youth	Job seekers and employers	Veterans	Individuals displaced by industry changes due to foreign imports	Universal	Employers that hire individuals of certain target groups	Non-custodial parents (NCPs) behind on child support payments	Individuals with disabilities	High school students	Low-income workers	Youth, ages 6-18, eligible to receive TANF	Refugees
<b>Number of participants<sup>3</sup></b>	16,615 WIA participants in 2006 <sup>4</sup>	106,467 registered to receive program services	11,500 veterans receiving services	1,933 program exiters in 2006	270,293 visits to WORKnet website in 2006	1,248 employers	4,000 NCPs served annually	30,000 individuals served with 3,167 successful rehabilitations	3,900 students trained in the 2005-07 biennium	Services provided by 17 transportation agencies	Services provided at 32 club sites	900 refugees gained employment in the 2005-07 biennium

**Table 3. A Resource Map Summarizing Workforce Development Programs in Wisconsin (continued)**

State Agency	Department of Children and Families		Department of Health Services					Department of Commerce					
	WI Works (W-2)	T.E.A.C.H. and R.E.W.A.R.D	WI Pathways to Independence	Brighter Futures Initiative	Community Services Block Grant	FoodShare Employment and Training (FSET)	AmeriCorps	WI Senior Employment Program <sup>s</sup>	WI Fresh Start	Minority Business Employees' Skills Training	Rural Business Employees' Skills Training	Business Employees' Skills Training	Customized Labor Training
<b>Funding</b>													
Federal	\$93,241,100	\$3,475,000	\$7,575,600	\$1,697,000	\$7,911,700	\$1,044,462	\$6,420,154	\$2,212,702	\$687,000	\$0	\$0	\$0	\$0
State	\$0	\$0	\$296,800	\$1,749,500	\$0	\$149,868	\$0	\$0	\$330,000	\$606,500	\$50,000	\$2,047,084	\$2,047,084
Total	\$93,241,100	\$3,475,000	\$7,872,400	\$3,446,500	\$7,911,700	\$1,194,330	\$6,420,154	\$2,212,702	\$1,017,000	\$606,500	\$50,000	\$2,047,084	\$2,047,084
<b>Service providers</b>	W-2 agency contractors	WI Early Childhood Association	Potentially any entity delivering employment services to individuals w/ disabilities	County government, tribal and non-profit contractors	WI Community Action Agencies	County government, tribal and W-2 agency contractors	Community-based organizations	Community-based organizations	Community-based organizations	Employers	Employers	Employers	Employers
<b>Services</b>													
Job training	X		X			X	X	X	X	X	X	X	X
Job search	X		X			X		X					
Job placement	X		X					X					
Work supports	X	X	X		X								
Work readiness	X		X	X	X	X	X	X	X				
Basic education	X					X		X	X				
<b>Other services</b>		Job retention, career advancement	Strategic planning effort to remove barriers to employment for those with disabilities										
<b>Target customer</b>	Cash assistance recipients	Employed child care workers	Individuals with disabilities	At-risk youth in 10 counties	Low-income individuals including the unemployed, homeless, migrants, and elderly	Food Stamp recipients	Young adults, 18-24 years of age	Low-income, unemployed individuals 55 years and older	At-risk young adults, 16-24 years of age	Minority incumbent workers	Rural incumbent workers	Incumbent workers	Incumbent workers
<b>Number of participants</b>	19,289 W-2 participants	2,148 stipends awarded	136,621 WI residents currently receiving SSI benefits are targeted by this program	BFI collaborative projects serve 100,000 annually	404,297 program participants in 2005	4,242 enrolled as of April 2008	1,093 AmeriCorps members for the 2007-08 program year	309 funded positions in 2006	200 participants	3 employers awarded grants between SFY02 and SFY05	27 employers awarded grants between SFY02 and SFY05	48 employers awarded grants between SFY02 and SFY05	142 employers awarded grants between SFY02 and SFY05

**Table 3. A Resource Map Summarizing Workforce Development Programs in Wisconsin (continued)**

State Agency Program Name	Department of Corrections		Department of Veterans Affairs		Department of Public Instruction	Wisconsin Technical College System				General Purpose Revenue Grants <sup>a</sup>	
	Community Corrections Employment Program	Badger State Industries <sup>b</sup>	Retraining Grant	Veterans Assistance Program		Troops-to-Teachers	Carl Perkins Vocational and Technical Education	Carl Perkins Tech Prep	Adult Education and Family Literacy		Workforce Advancement Training Grants
<b>Funding</b>											
Federal	\$0	\$0	\$0	\$0	\$9,803,101	\$12,300,457	\$2,106,802	\$7,887,634	\$0	\$0	\$0
State	\$691,800	\$20,153,400	\$210,000	\$798,900	\$0	\$0	\$0	\$0	\$2,000,000	\$10,180,800	\$10,180,800
Total	\$691,800	\$20,153,400	\$210,000	\$798,900	\$9,803,101	\$12,300,457	\$2,106,802	\$7,887,634	\$2,000,000	\$10,180,800	\$10,180,800
<b>Service providers</b>	Community-based organizations	Correctional institutions	State employees	Veterans Assistance Centers	School districts	WI technical colleges	WI technical colleges	WI technical colleges, community-based organizations	WI technical colleges	WI technical colleges	WI technical colleges
<b>Services</b>											
Job training	X	X	X	X	X	X	X		X	X	X
Job search											X
Job placement											X
Work supports											X
Work readiness											X
Basic education								X			X
<b>Other services</b>											Case management
<b>Target customer</b>	Ex-inmates released on parole	Inmates	Unemployed or underemployed veterans enrolled in a training program	Homeless veterans and those at risk of becoming homeless	Secondary students, 7th to 12th grade	Technical college students	High school students	Adults without a high-school diploma, inmates	Incumbent workers		See footnote #8
<b>Number of participants</b>	175 open program slots	471 inmate employees during SFY2006	87 grant recipients in the 2005-07 biennium	4,803 assisted in the 2005-07 biennium	38,120 11th and 12th grade participants	20,480 participants	19,296 participants	27,895 participants	Helped 90 employers train 12,000 workers in the 2005-07 biennium	19,558 participants	

Alternative funding resources are not included in the map because they are awarded directly to local and regional entities on a competitive basis. These dollars come from local governments and foundations, employers, and competitive state and federal grants. Table 4 lists a few such funding sources in southeastern Wisconsin.

**Table 4.** Direct awards for workforce development in southeastern Wisconsin\*

Program	Funding	Funding source	Date	Grantee
WIRED initiative	\$5,160,000	Federal	2008-09	Regional Workforce Alliance
Futures First	\$4,800,000	Federal	2007-09	Milwaukee Public Schools
Community-Based Job Training – Advanced Mfg.	\$1,999,999	Federal	2007-09	Milwaukee Area Technical College
Prison re-entry program	\$1,866,765	Federal	2005-09	World of Hope Ministries
Prison-to-work program	\$1,588,520	Foundation, State	2006-09	The New Hope Project
Earn & Learn Summer Youth Internship Program	\$900,000	City, Federal, State, Foundation	2008	Milwaukee Area Workforce Investment Board
Community Economic Development (CED) Program	\$677,000	Federal	2007-2012	Northwest Side Community Development Corporation
United Way Job Training Initiative	\$631,000	Private	2007	Selected job-training agencies
Transition funding	\$600,000	Foundation	2008	Milwaukee Area Workforce Investment
Tax Increment Financing for North End	\$500,000	City of Milwaukee	2008	To be determined
YouthBuild	\$404,131	Federal	2007-2010	City of Milwaukee Housing Authority
Ex-offender pilot program	\$400,000	Federal, State	2008	Selected job-training agencies
ROSS (Resident Opportunities and Self-Sufficiency)	\$350,000	Federal	2008	City of Milwaukee Housing Authority
Community Development Block Grant	\$325,000	City of Milwaukee, Federal	2008	Selected job-training agencies

\*This is not a comprehensive list of awards and most of the listed programs receive additional funds from other partners.

### **Are Enough Funds Being Allocated to Meet Wisconsin's Training Demands?**

Currently, foundation and employer support of workforce development in Wisconsin is a multi-million dollar enterprise. Despite this investment, a recent survey found that only 13% of foundations fund specific job training programs.<sup>9</sup>

In regard to employer funding, another survey found that 44% of Wisconsin CEOs reported spending less than 3% of their payroll on employee training.<sup>10</sup>

A recent study of workforce development spending in southeastern Wisconsin found only 10% of state and federal dollars were flexible enough to be used to support job-specific training needs.<sup>11</sup> Applying this ratio to the entire state reveals an estimated \$34 million is available annually for job-specific training. This figure falls well short of the \$120 million needed to train workers for the state's 64,840 projected job openings that require some form of training.<sup>12</sup>

This chapter was adapted from the following publication:

Horton, R. (2008, September). *Wisconsin's workforce development system: A graphical guide to employment training resources in Wisconsin* [Brochure]. Joyce Foundation, Public Policy Forum, and Wisconsin Department of Workforce Development. Retrieved November 23, 2009 from: <http://www.publicpolicyforum.org/pdfs/WorkforceMap.pdf>

## Footnotes

<sup>1</sup>Federal funding amounts are for Federal Fiscal Year 2008 (FFY08), which runs from October 1, 2007 to September 30, 2008. In certain cases where FFY2008 data were not available, federal program year 2007 data were used. FPY2007 runs from July 1, 2007 to June 30, 2008.

<sup>2</sup>State funding amounts are for State Fiscal Year 2008 (SFY08), which runs from July 1, 2007 to June 30, 2008. State revenue figures include General Purpose Revenue (GPR), Segregated Revenue (SEG) and Program Revenue (PR).

<sup>3</sup>"Number of participants" is an annual figure for 2007 unless otherwise noted. Great care should be used in interpreting data in this category. Participant data should not be used to produce cost efficiency comparisons between programs because data in this field varies greatly by source and type.

<sup>4</sup>The WIA number of participants listed does not reflect the actual total number of people having been served by Title I funds. This figure only reflects the number of participants for purposes of performance measure reporting in a snapshot-in-time using Department of Labor requirements.

<sup>5</sup>WETAP program administered and funding in partnership with the Wisconsin Department of Transportation.

<sup>6</sup>Funding data for the Wisconsin Senior Employment Program are FPY2006.

<sup>7</sup>Badger State Industries is funded with self-generated program (SEG) revenue. Funding data shown is SFY07.

<sup>8</sup>"General Purpose Revenue grants" are made up of seven separate competitive grant programs: Basic Skills, Adult Literacy, Workplace Adult Basic Education, Health Care Education Grants, Minority Student Participation and Retention Grants, Transition Services for Individuals with Disabilities Grants, and School-to-Work for At-Risk Youth.

<sup>9</sup>"GROW Report: Regional Workforce Funding," Urban Strategies, November 2007.

<sup>10</sup>"WMC Economic Outlook Survey," Wisconsin Manufacturers and Commerce, June 2008.

<sup>11</sup>"GROW Report on Milwaukee 7 Regional Workforce Funding," Urban Strategies, November 2007.

<sup>12</sup>The \$120 million figure is an estimate. It assumes a 50/50 cost-sharing partnership with employers and is based on a per-worker training cost of \$3,700 which is the average cost to graduate an adult from the WIA program in 2006. For comparison, this estimate is only slightly higher than the average per-worker training cost of \$3,200 budgeted for a new Milwaukee Area Technical College program targeted at training workers for advanced manufacturing jobs.