

Wisconsin Fast Forward Program

Department of Workforce Development

November 2019

Report Highlights ■

Program expenditures totaled \$62.7 million from FY 2012-13 through FY 2018-19.

As a result of 209 standard program grants that ended through December 2018, 9,451 individuals were counted as program successes and received an average wage increase of \$1.85 per hour.

Few expanded program grants ended through December 2018.

DWD did not consistently comply with statutes and administrative rules when awarding grants or provide sufficient management and oversight of all contracts.

The Wisconsin Fast Forward standard program was created by 2013 Wisconsin Act 9, which was enacted in March 2013. The expanded program was created by legislation enacted in the following years. The Department of Workforce Development (DWD) administers the program by awarding grants to public and private organizations for workforce training that is intended to provide individuals with skills needed by Wisconsin employers. The program is funded by general purpose revenue. From fiscal year (FY) 2012-13 through FY 2018-19, program expenditures totaled \$62.7 million, including \$47.4 million (75.6 percent) for grants and \$15.3 million (24.4 percent) for administration.

We analyzed DWD's data and found that 9,451 individuals completed program-funded training and were counted as program successes as a result of all 209 standard program grants that ended through December 2018. DWD collected less information on the results of the expanded program.

To complete this audit, we:

- analyzed program grants, expenditures, and staffing levels from FY 2012-13 through FY 2018-19;
- analyzed the results of program grants that ended through December 2018; and
- evaluated DWD's administration of the program.

Program Grants

Under the standard program, statutes required DWD to award grants to public and private organizations in order to develop and implement workforce training programs. Various legislation enacted in subsequent years created what is commonly referred to as the expanded program, which includes 23 additional program components. Under the expanded program, statutes required DWD to fund additional workforce training activities. For example, statutes required DWD to allocate \$35.4 million in grants from FY 2013-14 through FY 2014-15 for program components commonly referred to as “Blueprint for Prosperity,” including grants to technical colleges to reduce the waiting lists for enrollment in programs and courses in high-demand fields.

Grant recipients contractually agreed to complete specified activities, such as providing training to individuals. Under the terms of their contracts, which typically lasted for two years, recipients could request that DWD reimburse them for eligible expenses. From FY 2012-13 through FY 2018-19, DWD awarded 514 program grants totaling \$81.2 million. Not all of these grants had ended at the time of our audit.

Program Results

DWD required standard program grant recipients to electronically submit to it the results of grants, including information on the individuals who completed program-funded training and the wages of these individuals before and after training. DWD assessed information submitted by recipients to determine whether individuals who completed program-funded training could be counted as program successes, such as if individuals had received increased compensation. DWD did not attempt to verify the accuracy of this information, such as by comparing the wage information with the unemployment insurance data it maintains.

Statutes require DWD to report annually by December 31 to the Governor and the co-chairpersons of the Joint Committee on Finance on certain program results during the preceding fiscal year.

Key Facts and Findings

Through FY 2018-19, DWD awarded 514 program grants totaling \$81.2 million.

DWD’s December 31, 2018 report on program results contained inaccurate information.

A total of 21.4 percent of the individuals counted as program successes were paid less than \$11.67 per hour, and 23.3 percent were paid \$20.00 per hour or more.

DWD did not consistently assess applications according to the terms of its grant program announcements.

DWD did not consistently require recipients to repay grant funds for not meeting contractually specified results.

The results of the 209 standard program grants that ended through December 2018 varied considerably.

We identified concerns with certain information in DWD's December 2018 report. This report contained inaccurate information on program results, counted as program successes certain individuals who did not receive increased compensation after completing program-funded training, and counted as program successes individuals whose wage-related information DWD had not yet assessed.

We analyzed DWD's data and found that a total of 9,451 individuals completed program-funded training and were counted as program successes as a result of all 209 standard program grants that ended through December 2018. This total was 52.9 percent of the 17,881 individuals whom grant recipients were contractually required to train.

The 9,451 individuals who completed standard program-funded training and were counted as program successes received an average wage increase of \$1.85 per hour. We also found that:

- 27.4 percent of such individuals did not receive a wage increase, and 8.2 percent received a wage increase of at least \$5.00 per hour; and
- 21.4 percent of such individuals were paid less than \$11.67 per hour, and 23.3 percent were paid \$20.00 per hour or more.

The results of the 209 standard program grants that ended through December 2018 varied considerably. We found that the average wage increase of individuals who completed program-funded training and were counted as program successes varied widely among business sectors. Few expanded program grants ended through December 2018, but additional such grants will end in the future.

DWD should take additional actions to assess program results, including by determining whether grants awarded to certain types of recipients or for certain training purposes were more successful or cost-effective than others at training individuals counted as program successes. DWD should use the results of these assessments when awarding future program grants.

Program Administration

To evaluate DWD's administration of the program, we reviewed its files for 242 standard and expanded program grants totaling \$57.0 million. We found that DWD did not consistently comply with its administrative rules when it awarded grants under certain components of the expanded program. We also found that DWD did not establish comprehensive program policies.

Our file review found that DWD did not consistently:

- assess applications according to the terms of its grant program announcements, which indicated the availability of funds to address specific workforce development activities;

- comply with statutes and its administrative rules when awarding grants;
- require recipients to repay grant funds for not meeting contractually specified results;
- provide sufficient management and oversight of all contracts, including those it is statutorily required to execute; or
- require grant recipients to submit the contractually required documentation before reimbursing them for grant-related expenses.

Statutes require DWD to consult with the Department of Public Instruction (DPI), the Wisconsin Technical College System Board, and the Wisconsin Economic Development Corporation (WEDC) in order to implement various program components. We found that DWD did not regularly consult with other entities.

Recommendations

We include recommendations for DWD to report to the Joint Legislative Audit Committee by March 31, 2020, on its efforts to:

- ☑ improve how it closes standard program grants, reports standard program results, and assesses standard program results (*pp. 24, 26, and 39*);
- ☑ take appropriate actions when closing expanded program grants, reporting expanded program results, and assessing expanded program results (*p. 41*);
- ☑ consistently comply with its administrative rules, establish comprehensive program policies, and promulgate statutorily required rules (*pp. 45, 46, and 47*);
- ☑ improve how it reviews grant applications, awards grants, and manages and oversees contracts (*pp. 50, 52, 54, 55, and 56*); and
- ☑ improve its consultation with other entities about the program (*p. 58*).

Issues for Legislative Consideration

The Legislature could consider modifying statutes to:

- require DWD to report annually on the results of all program components (p. 42); and
- require DWD to report annually on the results of individual program grants (p. 42).



Legislative Audit Bureau | State Auditor: Joe Chrisman

Address questions regarding this report to the State Auditor at (608) 266-2818 or at AskLAB@legis.wisconsin.gov.