
**Assembly Committee on Workforce Development
CR 12-045 Related to Wisconsin Fast Forward**

October 2nd, 2013

Testimony provided by Scott Jansen, Division Administrator – Employment and Training

Chairperson Loudenberg and the Assembly Committee on Workforce Development:

Wisconsin Act 9 authorized the Office of Skills Development (OSD) to design a process for awarding grants to public and private organizations for the development and implementation of worker training programs. The training programs may include unemployed and underemployed workers as well as incumbent employees of businesses in Wisconsin. Given the volume of existing education and training programs designed to address the needs of employers, workers and unemployed individuals, the design for Wisconsin Fast Forward establishes a unique yet complimentary employer-driven worker training program model which targets short-term skill development for Wisconsin employers.

Many K-12 students have choices for developing career and technical skill sets while in school. High school graduates and employees can also enroll in classes or programs designed to teach specific skills through our post-secondary institutions. However, these traditional systems do not always produce the specific skill sets required by employers upon entry into the workforce. Wisconsin is among many states that have recognized the need for additional customized training programs to address specific employer workforce needs.

The current workforce development programs offered through state agencies such as the Department of Workforce Development, Department of Veterans Affairs, Department of Children and Families, Department of Health Services, Department of Corrections and others often focus upon work-ready skill development to prepare individuals for entry into low skill positions or specific industry occupations. Coupled with the youth, adult and dislocated worker programs offered through local Workforce Development Boards and the Job Center of Wisconsin, employers can often recruit individuals who receive services to prepare them for employment. Some employers are able to build a sustainable workforce through these programs and agencies.

The Wisconsin Technical College System certification, diploma and degree programs, coupled with the public and private colleges and universities degree and certification programs, prepare individuals for careers in vocational, trade, technical and professional occupations. Employers can readily recruit degreed, credentialed and competency tested candidates from our post-secondary institutions. In addition to recruiting from post-secondary institutions, employers, trade and business associations and others have opportunity to design and inform curriculum development offered at these institutions to shape the qualities and skills of the future workforce.

Customized and on-the-job training programs, as well as boot-camp style curriculum and apprenticeship-based programs, are also available to employers for creating a skilled and educated workforce. The technical

colleges in particular receive funding for developing employer-requested workforce training programs. Given the current portfolio of training and educational programming available in the state, Chapter DWD 801 establishes the Wisconsin Fast Forward workforce training program to be a demand-driven model that complements the current portfolio of programs and services.

The Office of Skills Development used a combination of research, interviews, best practice reviews of other states' programs and suggestions from employers, workforce development agencies, technical colleges, economic development corporations and others to develop a first draft of the Wisconsin Fast Forward rules and processes. Recommendations from prior research such as "The Road Ahead – Restoring Wisconsin's Workforce Development System", "Be Bold 2 – Growing Wisconsin's Talent Pool", and "The Wisconsin Future Economic Study" provided guidance in developing streamlined rules designed to ensure the:

- transparency of decisions and operations
- accountability for achieving stated outcomes
- efficient utilization of public funds
- compliance with rules, regulations and audit requirements
- fair and equitable distribution of grant awards to organizations of all sizes throughout Wisconsin, and
- maximization of return on the \$15 million of public investment in the program

The draft rules were developed and reviewed with agency administrators, educators, workforce and economic development leaders, business associations and employers. Comments were reviewed and incorporated into the rules and processes to address concerns pertaining to the complexity of grant applications, the ability for small businesses to participate in the grant programs and the need to recruit students for workforce training programs that were available to unemployed and underemployed workers. In particular, the recommendations for announcing a multitude of competitive grant opportunities over the two-year pilot period that address skilled worker needs in a variety of industry sectors, applicable to any size business, available to rural and urban organizations, utilizing a wide variety of training organizations and methods, incorporating small and large sized training programs and addressing known, repetitive skill gaps in the workforce led to the Grant Program Announcement process.

The Grant Program Announcement (GPA) process enables OSD to incorporate appropriate grant scoring criteria, eligibility requirements, funding parameters, etc. in each announcement rather than setting static requirements in the administrative rules. This approach will enable OSD to respond to employer needs and market opportunities quickly.

The Wisconsin Fast Forward grant program will fund reimbursement grants to applicants centered upon developing Wisconsin's skilled and educated workforce. Employers can apply individually or can work in concert with local, regional, or statewide economic development organizations, chambers of commerce, workforce investment boards or even employer-chosen training providers, including technical colleges, to develop training or skills enhancement programs for unemployed, underemployed or incumbent workers. As defined within the GPA, these workforce training programs should address the demonstrated skill needs and open job requisitions within the applicants operations, business sector or location. Training should also enhance the longer-term professional growth and economic opportunity for workers trained through the programs.

Applicants will be required to provide a cash or in-kind match to the grant award. The level of match may vary from program to program as defined in the GPA. Grant applications will typically be evaluated on a number of criteria. Some examples of anticipated scoring criteria are listed below:

1. **Scope:** Is the project design targeted at a known skills deficiency, with a reasonable cost and an appropriate time frame? Is similar skills training available through other programs?

2. **Focus:** Does the project support economic development by assisting new or expanded businesses? Is the target industry sector a base or emerging industry? Does the project target geographic or socioeconomic sectors of society that will benefit from the increased availability of family supporting employment opportunities?
3. **Sustainability:** Does the project enhance the capacity of our educational institutions to continue providing industry-standard training without the need for further incentive-based funding? Will the applicants hire graduates who meet the stated requirements. Can the training program be scaled, replicated and ported throughout the state?
4. **Value:** Does the project serve to increase wages, create employment opportunities, or teach skills that promote enhanced economic rewards to the workers while improving the profitability and sustainability of the business? Will graduates receive an industry recognized credential?

The grant administration process will include both fiscal and programmatic compliance monitoring. In addition, all grant recipients are subject to audit and DWD will audit a percentage of all grantees. For large grants (over \$250,000), the applicant will be required to identify a contractual agreement with an independent certified public accounting firm to provide a complete audit and report during and/or at the conclusion of the grant.

All trainees included in grant programs will be identified with pre- and post-training attributes including skill and education levels, wage level and employment status. OSD will track trainees for a period of two years post-training through UI wage data for evaluation purposes and program ROI calculations.

The statutory reporting requirements are defined by §106.27(3). To fulfill this reporting requirement, Chapter DWD 801 includes a requirement that awardees provide a limited amount of information to OSD. In recognition of the additional work required of grant applicants, OSD has limited the information required to reasonably assess the effectiveness of worker training programs and to maintain transparency, accountability and integrity within the Wisconsin Fast Forward program.

In conclusion, the Chapter DWD 801 rules enable the creation of an efficient, transparent, accountable, skill focused, state funded workforce training prototype program that will provide grant opportunities to all sized business throughout the state. The rules provide appropriate levels of audit control with process flexibility to encourage large scale responses to Grant Program Announcements. Awardees will design and delivery training programs, identify and approve students enrolled in training programs, select training providers, provide matching funding and define the expected outcomes and proficiencies to be attained with an expectation of hiring graduates who successfully complete the program. Graduates will acquire new skills and potentially an industry-recognized credential that will improve their ability to sustain employment and increase earning potential. Educators can evaluate opportunities for incorporating training program content or delivery mechanism into sustainable curriculum modules or programs. Employers will benefit by hiring skilled workers and creating new talent pipelines to address skill specific gaps in Wisconsin's workforce.

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October 2nd, 2013

Testimony provided by Jonathan Barry, Deputy Secretary

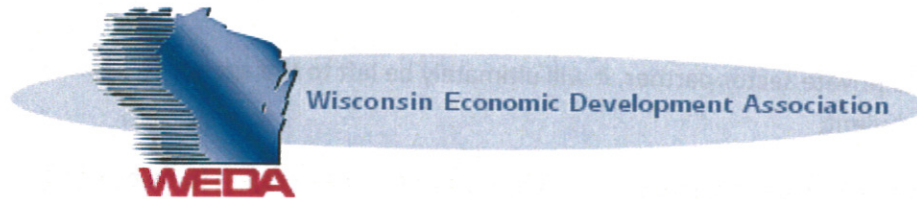
Chairperson Loudenbeck and members of the Assembly Committee on Workforce Development:

I am Jonathan Barry, Deputy Secretary at the Department of Workforce Development and it is my pleasure to address this committee today on the proposed administrative rule for Wisconsin Fast Forward (WFF). I am joined at the table by Mr. Scott Jansen who serves a dual role at DWD as the division administrator for Employment and Training and the director of the Office of Skills Development. It is Scott and the staff of the aforementioned office that have worked extensively to bring Wisconsin Fast Forward from concept to reality.

As you all know workforce development is one of Governor Walker's top priorities. Wisconsin Fast Forward is part of Governor Walker's comprehensive agenda to develop the state's workforce by better equipping workers with the skills employers need today to succeed and ensuring Wisconsin is home to a highly skilled workforce for years to come. Thanks to your support, this legislation passed with overwhelming support in the Assembly and unanimously in the Senate. Governor Walker signed the bill on March 13th and since that date, our agency has been moving with deliberate speed to develop a framework for worker training investments. This framework is grounded in transparency, accountability, and maximum return-on-investment for the Wisconsin taxpayer.

I see this as the perfect time to ask Scott to explain how we plan to administer the grant program based on the proposed rule and have a positive impact on the workforce in Wisconsin.

After Scott's testimony, we would be happy to entertain questions as you see fit.



TO: Members, Assembly Committee on Workforce Development

FROM: Carol Karls, President, Wisconsin Economic Development Association

DATE: October 2, 2013

RE: **Comments on Clearinghouse Rule 13-045, the Fast Forward Rule**

The Wisconsin Economic Development Association is a statewide association consisting of over 450 economic development practitioners. WEDA supports state policies that strengthen our economy and create jobs. Thank you for your support of Wisconsin Act 9 which created a workforce training grant program to be administered by the Department of Workforce Development (DWD).

You are already aware that the state faces a significant skills gap. Any new resources provided for workforce training will benefit private industry and put Wisconsin ahead of the country in addressing this important issue.

As private sector industry looks to upgrade or expand current operations so they can compete in a global economy, some businesses are faced with an obstacle of financing and affordability. Often the business can afford the capital expenditure for equipment, but they fall short of the amount needed to train the workers on the new system.

WEDA supported the worker training legislation this committee passed earlier this session because we saw a new opportunity for businesses to apply directly to DWD for money to help with training.

However, based on conversations with officials in the agency and the definition of Grant Program Announcement (GPA) in the rule, this money will likely be utilized to develop training models for specific industry sectors that DWD determines need assistance. DWD is also looking to fund training opportunities that can be scalable and portable, and less for individual employers with specific training needs.

With this in mind, WEDA would like to point out two parts of the rule that if clarified, could better benefit the private sector.

Because process is often timely and cumbersome, it is understandable that businesses may want to partner with a public entity in their application for a workforce training grant. However, Clearinghouse Rule 13-045 does not require an applicant from the public sector to work with a private sector entity. It was WEDA's understanding that legislative intent for this bill was to provide private businesses with training dollars. We would appreciate clarification in the rule that if governmental entities are allowed to apply directly for grant dollars, there is a private sector partner. While the GPA may include the

requirement of a private sector partner, it will ultimately be left to the agency to make the decision if the rule remains silent.

Section 801.09(4) requires materials developed for a grant funded project to be owned by DWD. This is an area of concern because businesses like to keep their products and customization private for proprietary reasons. If there is a need to develop training materials with the grant money, DWD will own these business related materials. As a result, some businesses may not take advantage of this grant program.

Thank you for your consideration.



Survival Coalition

of Wisconsin Disability Organizations

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September 30, 2013

To: Representative Loudenbeck, Chair – Committee on Workforce Development
Committee Members

From: Survival Coalition of Wisconsin Disability Organizations

Subject: Clearinghouse Rule 13-045 - Workforce Training Grants

As the state's largest cross-disability coalition, Survival Coalition supports the Department of Workforce Development's inclusion in its administrative rules for awarding new workforce training grants the need for specific supports and intentional targets for Wisconsin's population of workers with disabilities.

Our testimony addresses two overall priorities:

1. Continued emphasis on and reference to individuals with disabilities as part of specific grant funding criteria within the new training grants; and
2. Targeting the fast-growing and high-demand field of long-term care workers.

To the first point, U.S. Census data show that 9.3% of individuals between ages 21 and 64 in Wisconsin have a disability. The employment rate for these Wisconsinites is just 38%, as compared with 80.5% for those without disabilities (2011). The poverty rate for working-age Wisconsinites with disabilities is 26.3%, compared with 10.4% for those without disabilities. Yet, we know that people with disabilities want to work, and can be successfully employed with the right preparation and supports.

The data show that a specific focus on people with disabilities is needed in the state's workforce development efforts. A recent independent national survey of human resource professionals and supervisors recommends increased training and centralized disability and accommodation expertise as two proven strategies to improve hiring and retention of workers with disabilities. We believe the state's new investments in workforce training provide a significant opportunity to address and improve employers' ability to hire and retain workers with disabilities.

Recommendation:

To ensure that the employment needs of people with disabilities are addressed by the Fast Forward training grants, *we suggest the composition of the "evaluation committee" as established by CR 13-045 be amended to include a representative from the Division of Vocational Rehabilitation or an advocate for people with disabilities. We suggest that representatives from high-demand and fast-growing fields be placed on the evaluation committee as well.* While the rule does state that the Department of Workforce Development may invite other parties to join the evaluation committee, the Department is given broad authority to determine the make-up of the committee.

In addition, one of the fastest growing fields in Wisconsin is the long-term care workforce, which consists of Personal Care Aides, Home Health Aides and Nursing Aides, and totals over 90,000 workers. Home Health

Aides and Personal Care Aides are projected to be the fastest and third fastest-growing occupations in Wisconsin through 2018, increasing by 38 percent and 34 percent, respectively.

As detailed by the recent federal [Commission on Long-term Care report](#), the long-term care workforce will face serious challenges over the next decade with demand for direct care workers set to increase dramatically while the field struggles with worker shortages and high turnover rates. According to the report, “Studies of turnover have found rates of 44–46 percent for home care workers, 49 percent for certified nurse assistants (CNAs) in nursing homes, and 26 percent among CNAs in assisted living facilities.”

It is critical that these grants target high-demand fields, such as the long-term care workforce.

Recommendation:

Survival Coalition also recommends the workforce training grants target fast-growing and high-demand fields, such as the long-term care workforce. While we are pleased to see that grant applicants must describe how their workforce training programs will help address a “critical workforce shortage,” *we recommend that the rule be amended to explicitly reference high-demand or fast-growing fields. For example, we suggest that the criteria for eligible projects include specific references to sectors of the economy with a large workforce shortage or high rates of projected growth, such as health care, manufacturing, energy, and information technology.*

In summary, we request that the committee consider amending the proposed administrative rule so that grant applications include:

- A description of how a grantee will address the needs of unemployed and underemployed workers and current employees with disabilities.
- A description of how funds will be used to help employers in the community to meet their workforce needs by establishing a more diverse workforce, including how they will support workers with disabilities and target outreach to the disability population.
- Outcomes that clearly state objectives related to serving special populations of unemployed/underemployed, including efforts to support increased rates of integrated, competitive employment for individuals with disabilities.
- In addition, we request that DWD designate a defined percentage of grants funds be reserved for applicants that target training for individuals with disabilities to work in integrated, competitive jobs.
- Specify that eligible projects target high demand fields, such as the long-term care workforce. Support programs that increase the supply of skilled long-term care workers to meet market demand for long-term care.
- Ensure that people with disabilities and members of fast-growing fields are represented on the grant application evaluation committee.

Thank you for considering this input. We look forward to continuing our work with you.

Survival Coalition Co-Chairs

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