

A large, vertical photograph of a Black woman with dark skin and curly hair pulled back in braids. She is wearing a blue V-neck top and a stethoscope around her neck. She is smiling warmly at the camera.

WISCONSIN

Department of Workforce Development

2016

ANNUAL REPORT



Advancing Wisconsin's economy and business climate
by empowering and supporting the workforce.



December 27, 2016

The Honorable Scott Walker
Office of the Governor
115 East, State Capitol
Madison, WI 53702

Dear Governor Walker,

Over the past six years, your leadership and vision has helped transform the Department of Workforce Development (DWD) into the state's leading talent development agency, providing cutting-edge worker training solutions to both job seekers and employers. Wisconsin's economy is thriving. As of November 2016 our unemployment rate is at 4.1 percent, a half-point better than the national rate; our labor force participation rate is over five points higher than the national rate; employers have added thousands of jobs since you took office; and Wisconsin's average weekly private-sector wage growth ranks twelfth in the nation according to the most recent quarterly data. Wisconsin's economy is growing, and DWD is proud to provide robust worker training solutions that meet the needs of Wisconsin's employers and workers.

DWD continues to play a critical role in providing workers with effective worker training programs that enable them to acquire the skills necessary to succeed in a 21st century economy. I am pleased to present you with the following report which contains DWD's many recent achievements in 2016.

Highlights of those achievements include:

Registered Apprenticeship: Through September 2016, over 3,000 new apprentices began training and over 9,000 apprentices were gainfully employed and receiving on-the-job training with nearly 2,100 employers. The program experienced an increase of 7 percent in participation over the prior twelve month period while the construction sector experienced a gain of 15 percent. The Registered Apprenticeship program also received numerous federal grants allowing Wisconsin to make additional investments in current apprenticeship industry sectors and expand the program into non-traditional sectors such as Bio Tech and Financial Services.

Youth Apprenticeship: DWD's Youth Apprenticeship program continued to provide high school juniors and seniors with valuable work-site experience to help guide their future training and career decisions. Enrollment for the 2015-2016 school year reached a ten-year high, with 3,044 youth from 271 school districts working at 2,151 businesses throughout the state. DWD continued to implement the Youth to Registered Apprenticeship Bridge program, which gives Youth Apprentices who complete programs in certain career pathways the opportunity to enter directly into a family supporting, Registered Apprenticeship position. This year, 53 graduating Youth Apprentices were able to enter into Registered Apprenticeship positions immediately after graduation in the Machinist and Industrial Manufacturing Technician trades.

Expanding Opportunities for Job Seekers with Disabilities: In the most recent Federal Fiscal Year, 4,615 individuals with disabilities successfully reached their employment goals and entered the workforce, with estimated earnings of \$82 million annually. This is more than double the public investment made during their time receiving services from the Division of Vocational Rehabilitation (DVR). Their wages bolster the Wisconsin economy and provide

them the means to increase their independence and decrease their reliance on public assistance. DVR continues to build important relationships with Wisconsin employers, which directly impacts the available opportunities for DVR participants. Since Federal Fiscal Year 2013, DVR business consultants have had nearly 10,000 contacts with businesses and have been involved with over 1,600 direct hires of DVR job seekers. Wisconsin was also one of five states to receive a 5-year, \$32.5 million grant to operate a pilot program called Wisconsin Promise. The program is aimed at improving the education and career outcomes of low-income children with disabilities who receive a Supplemental Security Income benefit from the Social Security Administration. Enrollment closed in 2016 and the target goal of 2,000 was surpassed with 2,024 youth and their families enrolling in the PROMISE initiative.

Enhancing Customer Service for Unemployment Insurance (UI) Claimants: DWD's UI Division has undergone a 21st century modernization, responding to our customer's desire for free, fast and easy online self-service access to the UI program. These enhancements provide UI claimants with more opportunities to file a fast and accurate claim online without any hold times when it is convenient for them. These online systems are mobile friendly, providing secure access from any smartphone, tablet or computer. In March 2016, DWD completed an improved Internet Weekly Claim application (IWC) after success with the dramatically improved online inquiries application (IIQ) and an Internet Initial Claim application (ICR).

UI Trust Fund Solvency: On October 31, 2016 the UI Trust Fund Reserve Fund Balance was \$1.2 billion, an increase of \$400.3 million over the \$807.8 million balance on October 31 of last year. Since reaching a low of negative \$1.6 billion on March 31, 2011, the UI Trust Fund has been solvent since July 30, 2014. The UI Reserve Fund balance was \$980 million on June 30, 2016, the statutory date for measuring the balance used to determine the required tax rate schedule for the following year. The UI Trust Fund balance exceeded the \$900 million threshold needed to move to a lower UI tax rate schedule for 2017, the second consecutive year that a lower tax schedule has been triggered. Due to these tax schedule reductions, Wisconsin employers who participate in the UI program are expected to experience an estimated \$135 million reduction in their UI taxes collectively over the 2016 and 2017 tax years.

In the following report, you will find these and many other accomplishments from 2016. Under your leadership, DWD remains committed to providing worker training solutions that provide job seekers with the tools to be successful in today's 21st century economy and a dependable talent pipeline to help employers continue to move Wisconsin's economy forward. While increasing awareness and access to our many talent development programs, we remain committed to ensuring that our programs serving both employers and employees remain solvent and available and provide Wisconsin with a business environment that encourages continued economic growth.

Sincerely,



Ray Allen
Secretary

Department of Workforce Development

2016 Annual Report

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Department Overview

The Wisconsin Department of Workforce Development (DWD) is the state agency charged with advancing Wisconsin's economic and business climate by empowering and supporting the workforce. The Department's vision, *Building the workforce to move Wisconsin forward*, is carried out by supporting Governor Walker's vision for a government that is accountable to taxpayers, rewards work and encourages student success. DWD partners with the private sector to make available the resources necessary to develop talent and ensure a skilled and talented workforce is available to Wisconsin employers and able to find gainful employment.

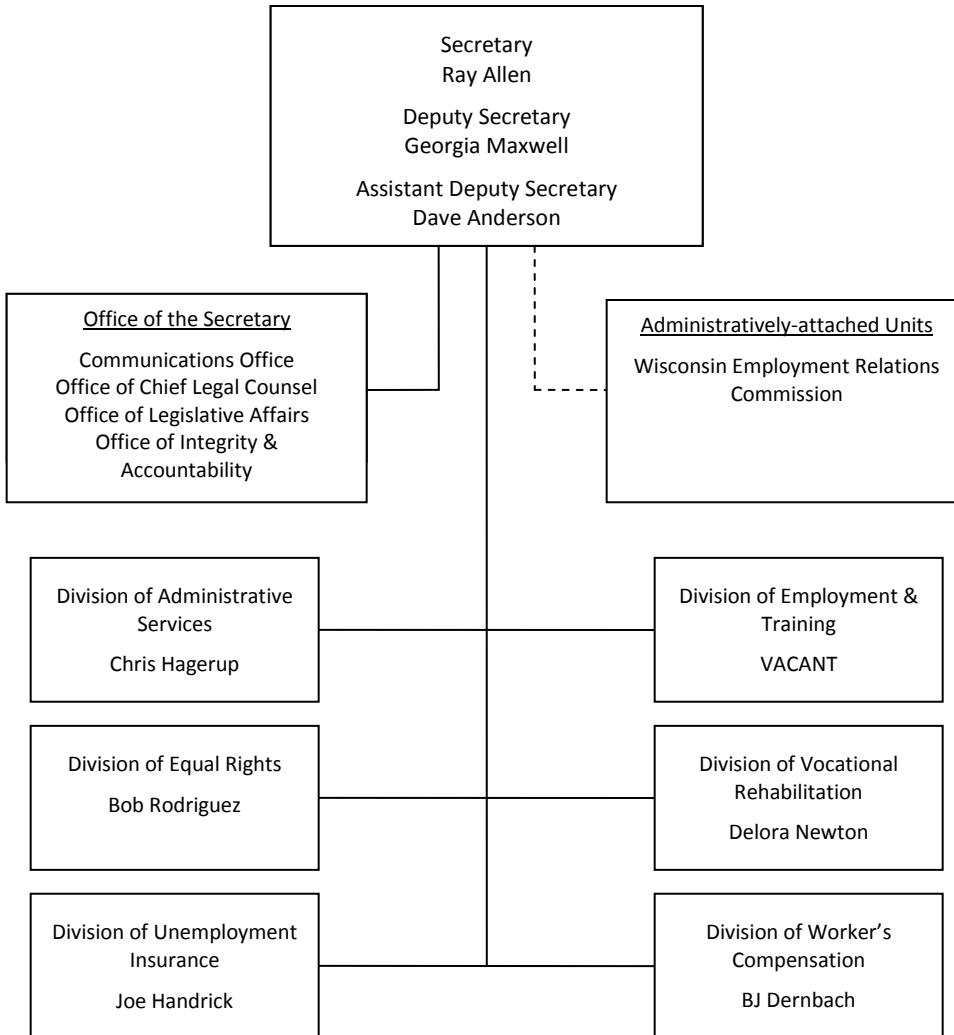
The Department is led by Secretary Ray Allen, appointed by Governor Scott Walker in January 2016. The annual operating budget for DWD is nearly \$400 million, and its staff totals approximately 1,600 full-time equivalent positions. DWD currently consists of five program divisions, an administrative services division and one administratively-attached entity, the Wisconsin Employment Relations Commission (WERC).

The Department embarked upon a strategic planning process in early 2013 to develop a new strategic plan to guide the Department's activities moving forward. The plan, which was developed in concert with a number of DWD employees, includes the following goals:

- ⑧ Improve Our Ability to Connect Job Seekers to Jobs.
- ⑧ Develop a Skilled Labor Force Aligned with Employers' Needs.
- ⑧ Promote Unemployment Insurance Trust Fund Strength and Program Accuracy.
- ⑧ Increase the Business Value of Program and Service Delivery Through Innovation and Technology.
- ⑧ Provide Opportunities for all DWD Staff to Understand How they Contribute Towards DWD's Mission.

The Department is currently in the process of implementing a new strategic plan that will guide the agency beginning in 2017.

DWD Organization



Office of the Secretary

The Office of the Secretary oversees the Department of Workforce Development (DWD), which conducts a variety of talent development and regulatory programs designed to connect people with employment opportunities in Wisconsin. DWD is responsible for the state's employment and training services, including job centers; job training and placement services provided in cooperation with private sector employers; apprenticeship programs; and employment-related services for people with disabilities. The Department oversees a number of other programs, including Unemployment Insurance and Worker's Compensation programs, and is responsible for adjudicating cases involving employment discrimination, housing discrimination, and labor law. The Department also analyzes and distributes labor market information.

2016 Accomplishments

Office of Legislative Affairs

The Office of Legislative Affairs located within the Secretary's Office is responsible for responding to all legislative, executive and other inquiries. In addition, the Legislative Liaison participates on Department work teams dedicated to developing, monitoring, and providing budget consultation for DWD programs and is dedicated to educating and counseling legislative members on pieces of legislation that affect divisions within DWD.

The Legislative Liaison provided the legislative and executive branches timely responses to over 800 contacts regarding a number of subject matters which resolved constituent issues, assisted in policy interpretation and influenced proposed legislation.

Communications Office

The Communications Office located within the Secretary's Office is responsible for handling major communications that span the spectrum of DWD, and serves as the Department's main voice with external and internal audiences.

The Communications Office continues to utilize its communication plan in a continual effort to strengthen DWD's brand, increase understanding of DWD services, and cement the agency's position as the cornerstone of Wisconsin's talent development system.

In 2016, the Communications Office had over 500 contacts with members of the media and issued over 160 press releases promoting numerous public events through December 14, 2016.

The following five goals drive the DWD Communications Plan:

- Promote DWD and its workforce partners as the centerpiece of a successful workforce delivery system.
- Increase awareness of and utilization of DWD programs and services.

- Establish DWD among key audiences as a dynamic, visionary thought leader in the labor market.
- Reinforce the value of high-demand sectors to Wisconsin youths and young adults.
- Solidify DWD brand identity and messaging both internally among DWD staff and externally with DWD partners.

Office of Integrity and Accountability

The Office of Integrity and Accountability (OIA) is located within the Secretary's Office and is responsible for evaluating the agency's resources to ensure they are being used efficiently, effectively, and appropriately for the advancement of the agency's mission and objectives. OIA conducts internal and external review activities and furnishes DWD with high quality analyses, appraisals and recommendations.

Highlights of OIA activities in 2016 include:

- Establishment of the Office in May 2016 and completion of the hiring and onboarding of all OIA staff as of November 2016.
- Continued cooperation with DET to conduct routine, annual monitoring of all 11 Workforce Development Boards (WDBs).
- Establishment of routine, ongoing audits of Wisconsin Fast Forward grant recipients, including the completion of 19 grant reviews that tested compliance with program rules and regulations and measured performance against standard and defined benchmarks.
- Engaged in analyses of internal departmental activities as requested.

Division of Employment and Training (DET)

Mission

Provide a seamless continuum of services accessed by employers and members of the workforce and their families with the following results:

- Employers have the talent they need.
- Individuals and families achieve economic independence by accessing job search, training and related services, making sound employment decisions and maximizing their workforce potential.

2016 Accomplishments

Office of Veterans Services

The mission of DWD's Office of Veterans Services (OVS) is to "Advance Veterans into the workforce through targeted business engagement and effective employment services." The office is comprised of two distinct groups of staff, Local Veteran Employment Representatives (LVERs) and Disabled Veteran Outreach Program (DVOPs) Employment Specialists.

Of the 2,705 veterans DVOPs served through June 30, 2016:

- 1,152 were campaign veterans.
- 1,108 were disabled veterans.
- 765 were veterans with a 30% or more service connected disability.
- 141 were homeless veterans.
- 991 were post 9/11 veterans.

As of June 30, 2016, OVS exceeded all 13 U.S. Department of Labor (USDOL) Negotiated Performance Standards:

- 1,308 veterans with significant barriers to employment entered the workforce following staff assisted services by DVOPs.
- 1,066 veterans with significant barriers to employment entered the workforce following intensive services by DVOPs.

Examples of success stories following OVS services

- A service connected disabled veteran obtained employment as shipping and receiving

supervisor with employer starting at \$46,000 per year. On top of his yearly salary, the employment offer included relocation and moving expenses up to \$18,500 and a guaranteed \$1,500 raise on January 1, 2017.

- ➊ A female veteran with a service-connected disability who is a single parent of two daycare-aged children was seeking employment in the IT industry. DVOP staff provided intensive services while the veteran was in case management to develop competency-focused resumes, interviewing skills and job leads and provide referral services. DVOP staff also partnered with CVSO and W-2 staff personnel to assist in providing childcare arrangements while she attended employment related activities. The veteran received a series of interviews and was ultimately hired as a Database Analyst with a starting wage of \$25.00 per hour.

WiscJobs for Vets

The WiscJobs for Vets website was launched in 2014 in coordination with the DWD's OVS, DWD's Bureau of Human Resource Services and the Department of Administration's Office of State Employment Relations (now the Division of Personnel Management). The website provides a more systematic process of recruiting and referring veterans with a service-connected disability of at least 30%. As of November 2016, 738 disabled veterans submitted applications to the gateway and 438 state job openings were listed. So far, 77 disabled veterans have been placed with state agencies with an average starting wage of \$22.74 per hour.

Workforce Information and Technical Support Bureau

The Workforce Information and Technical Support (WITS) Bureau consists of two integrated sections; the Labor Market Information Section (LMI) and the Office of Economic Advisors Section (OEA). The two sections work hand-in-hand to provide workforce and economic data and analytics to both internal and external audiences.

In 2016, Numerous WITS projects were executed which align with the Department's strategic plan as well as assist in moving the state's workforce development system forward.

Highlights of these projects include:

- ➊ Conducted workforce gap analysis for the Racine County Higher Expectations initiative. The project involved the surveying of local businesses about their staffing needs and difficulty in obtaining talent.
- ➋ Worked closely with the Wisconsin Technical College System researchers to better assess labor demands and align their instructional programs with in-demand careers.
- ➌ Conducted national analysis for United Way campaign funding success models.
- ➍ Analyzed demographics for economic development activities for the Milwaukee 7 Regional Economic Development Partnership (M7).

- Analyzed creative industries and occupations for size, growth and economic contributions.
- Developed new website tools to disseminate LMI data in a more user-friendly manner, such as the data widgets now available on the Job Center of Wisconsin website.
- Worked with private business to scope regional workforce resources.
- Provided demographic and workforce characteristics to businesses considering expanding in or relocating to Wisconsin.
- Hosted second annual bureau/partners' conference to display new developments, demonstrate new products, and discuss possible new products for customers, clients, and partners.
- Worked closely with division entities to answer data questions and assist with analytical undertakings.
- Presented LMI information at nearly 100 events requested by partners, employers, associations, etc.

Skill Explorer

Skill Explorer is an online job search tool that allows users to evaluate how current skills can translate to other occupations. This online tool provides options for more career opportunities, allowing individuals to explore different career choices based on skill rather than job titles. Skill Explorer had over 42,000 sessions and almost 261,000 page views from September 2015 to September 2016.

Skills Explorer Usage, September 15, 2015 – September 14, 2016

New Visitor:	68.1%
	28,627
Returning Visitor:	31.9%
	13,440

Office of Skills Development

Wisconsin employers turn to the Office of Skills Development (OSD) for effective talent development solutions to recruit, train and retain highly skilled workers. OSD connects Wisconsin businesses with industry and workforce development system experts across the state to enable businesses to:

- Identify needs and implement workforce training solutions.
- Facilitate local talent development connections.

Wisconsin Fast Forward Grant Program

The State of Wisconsin's \$30 million investment in the Wisconsin Fast Forward (WFF) grant program is a nationally recognized, innovative talent development solution driven by Wisconsin businesses to train and retain highly skilled workers. Over \$18 million in WFF grant contracts has been issued to date, supporting nearly 200 worker training projects and benefitting hundreds of employers and thousands of workers.

WFF is administered by OSD through a transparent and accountable process. Grant funds support short and medium-term employer-led worker training projects that:

- Encourage increased collaboration between Wisconsin businesses and workforce training partners.
- Fill current and ongoing skill requirements of Wisconsin employers.
- Place workers in long-term positions with opportunities for professional growth and economic advancement.

Internship Coordination Program

The Wisconsin Fast Forward (WFF) Internship program coordinates efforts between DWD, the University of Wisconsin System, Wisconsin Association of Independent Colleges and Universities and other state institutions of higher learning to increase the number of internship opportunities available to Wisconsin college students statewide.

College students who intern for a Wisconsin company are more likely to stay in the state after graduation, making internships a valuable workforce retention strategy. Additional benefits include:

- Providing employers with an opportunity to observe students before extending a permanent job offer.
- Enabling students to demonstrate their work skills and make networking connections in a work environment.

For more information on the WFF Internship program and WFF grant programs, please see the most recent [WFF Annual Report](#).

Job Center of Wisconsin Website

In 2016, DWD continued enhancements on the new, mobile-friendly JobCenterofWisconsin.com (JCW). Initial enhancements rolled out in September of 2015 improved usability and enhanced tools to drive hiring results and target in-demand careers. A personalized, customizable dashboard allowing users to access, store and easily consume Labor Market Information (LMI) data using widget technology was introduced in 2016. Additional features integrated existing applications into JCW and enhanced the abilities of both employers and job seekers to make data-

driven labor market decisions and connect talent with opportunity.

In 2016, the JCW website was accessed over four million times by over one million users. The webpage had nearly 50 million page views. Nearly 30 percent of the site visits were by mobile devices.

Bureau of Apprenticeship Standards

The Bureau of Apprenticeship Standards (BAS) administers and regulates Wisconsin's Registered and Youth Apprenticeship programs emphasizing strong partnerships with industry, labor, education and Wisconsin's workforce development system in order to produce highly skilled and trained apprentice graduates.

Registered Apprenticeship

From October 1, 2015 to September 30, 2016, 3,060 new apprentices began training. On October 1, 2016, there were currently 9,226 total active apprentices and 2,073 active employers. Between October 1, 2015 and September 30, 2016, the number of employers increased by seven percent over the prior twelve months and the construction sector experienced a gain of 15 percent.

Other key highlights from 2016 include:

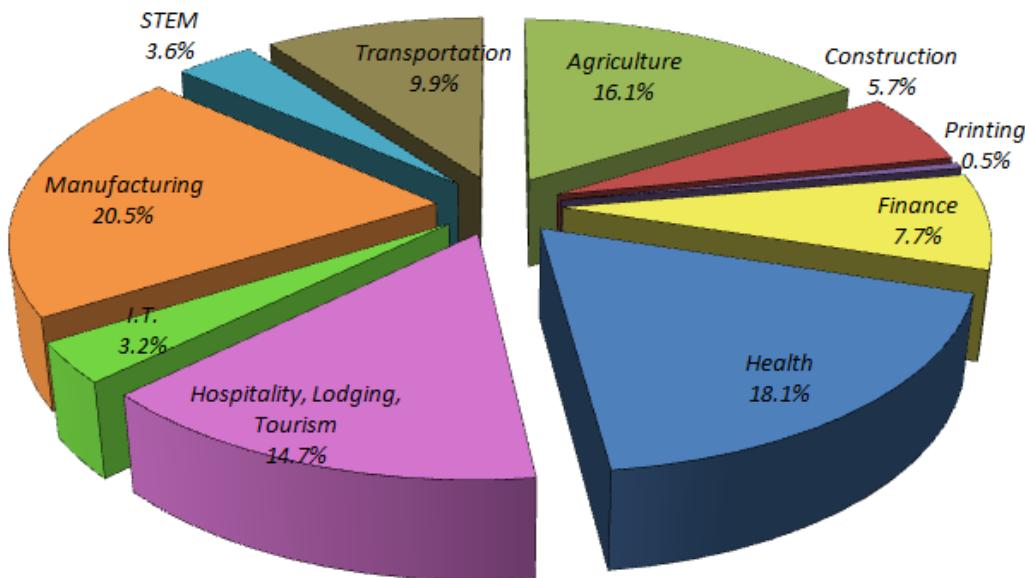
- ➊ DWD received a \$200,000 ApprenticeshipUSA Grant to assist in building the capacity of Wisconsin's apprenticeship program including employer outreach and the development of innovations to strengthen Wisconsin Apprenticeship.
- ➋ A \$1.5 million State Expansion Grant was received and will be used to register new programs in new sectors such as Bio Tech and Financial Services. Under this grant, Wisconsin will also make additional investments in the construction industry to encourage greater participation by underrepresented populations in Wisconsin Apprenticeship programs.
- ➌ In 2015, DWD/BAS received a \$5 million grant to train 1,000 new apprentices in five years. DWD continues to move forward with implementing the Wisconsin Apprenticeship Growth and Enhancement Strategies (WAGE\$) project and has finalized contracts with all sub-recipients (11 Workforce Development Boards and the Wisconsin Technical College System) and held planning meetings with the groups. Each sub-recipient has hired/designated an Apprenticeship Liaison that will work with their area employers and with BAS apprenticeship and grant staff in support of outreach efforts. BAS began monthly calls with all Apprenticeship Liaisons and the BAS Outreach Coordinator for the grant and continued to meet with employers and/or alliances interested in the targeted sectors. BAS sought to enroll 41 new apprentices in the first year of the grant and surpassed that goal by 40 apprentices.

Youth Apprenticeship

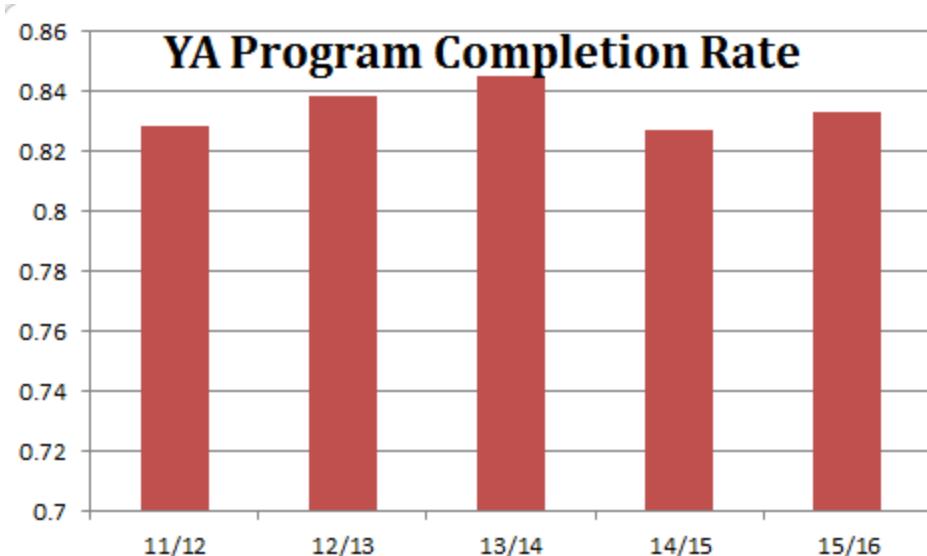
The Wisconsin Youth Apprenticeship (YA) program, first authorized in 1991 by the Wisconsin State Legislature, provides high school juniors and seniors the opportunity to explore potential career while still in high school. Students receive occupational instruction and on-the-job training as part of their regular high school schedule. With successful demonstration of occupational competencies, YA students leave high school with a state skill certificate and valuable career-related work experience. The program prepares students for an array of options after high school, from successfully transitioning directly into the workforce to pursuing higher educational training at a technical college or university. Since its inception in 1991, more than 22,000 Wisconsin students have successfully completed the YA program.

The Youth Apprenticeship program issued \$2.3 million in grants for the 2015-16 year to 32 local partnerships. Enrollment for the 2015-16 school year reached a ten-year high, with 3,044 youth from 271 school districts working at 2,151 businesses.

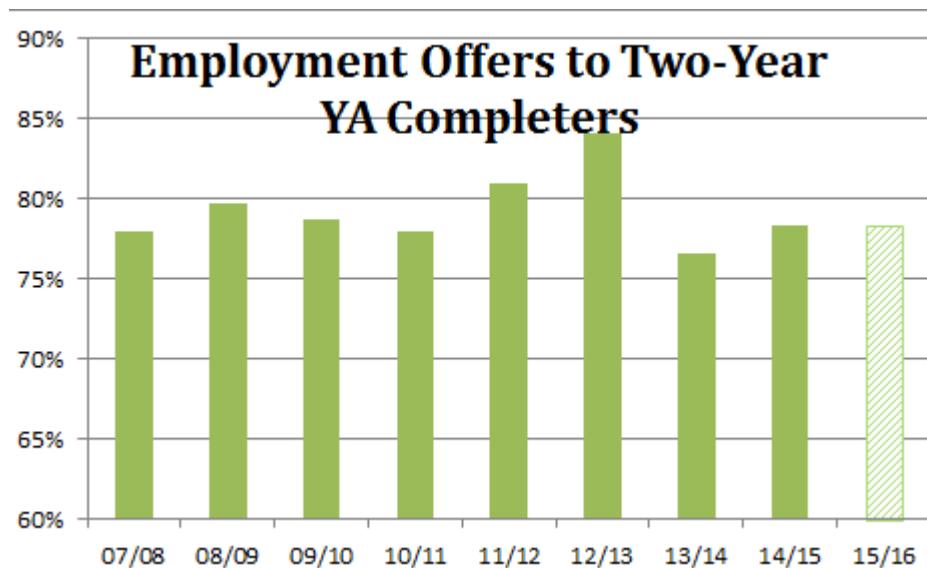
Youth Apprentices by Career Area 2015-16



In 2015-2016, 83 percent of youth apprentices enrolled in the program successfully completed the program and received a state skill certificate. In total, 1,978 certificates were issued.



As of November 15, 2016, 78 percent of the two-year graduates had been offered continued employment by the employer that provided their on-the-job training.



Bridging Youth and Registered Apprenticeship

The YA-to-RA Bridge program gives Youth Apprentices who complete a program in certain career pathways the opportunity to enter directly into Registered Apprenticeship. The first two pathways, for the Machinist and Industrial Manufacturing Technician trades, were formally aligned through approved competency crosswalks in 2015-16. This year, 53 graduating Youth Apprentices reported entering Registered Apprenticeship immediately after graduation. Next year's work will focus on the construction industry, adding competency crosswalks serving the Carpenter, Electrician, Plumber, Sprinklerfitter, Cement Mason, Sheet Metal Worker and Welding/Fabrication trades.

Bureau of Job Service

The Bureau of Job Service works in partnership with our 11 Workforce Development Areas to provide assistance to job seekers and businesses to successfully match talent and opportunity.

Highlights of activities from 2016 include:

- Job Service coordinated large, medium and small Job Fairs and Career Expos throughout Wisconsin. At the Career Expos, pre-screening of candidates for work readiness was provided to better prepare job seekers for potential employment opportunities and workshops to prepare job seekers for success. Career Expos were held in Green Bay and the Milwaukee area with 255 employers represented and 1,373 job seekers attending.
- 85 Job Fairs were held throughout the state with 3,384 employers and 16,450 job seekers participating.
- The Re-employment Services (RES) and Re-employment Eligibility Assessment (REA) programs and services for UI claimants experienced major changes in 2016. RES and REA were combined into one program, the Re-Employment Services Eligibility Assessment program (RESEA). With enhanced service delivery, self-directed RESEA enrollment and additional follow-up services provided by Employment and Training Specialists and Career Counselors, UI claimants were better equipped for their job search and future employment opportunities. Over 22,500 individuals have participated in the program since the new RESEA program was introduced.

Bureau of Workforce Training

Governor's Council on Workforce Investment

The Governor's Council on Workforce Investment is the federally-mandated entity under the Workforce Innovation and Opportunity Act that assists the Governor in developing innovative and dynamic approaches to develop Wisconsin's workforce.

In March of 2015, Governor Scott Walker issued Executive Order #152, which established a new state workforce board that was compliant with the Workforce Innovation and Opportunity Act (WIOA). In addition to carrying out all duties and functions required by WIOA, the Executive Order requires that the Council:

- Recommend strategies that align workforce development resources to support economic development and encourage the development of career pathways that support high-demand industry sectors.
- Identify and implement best practices that strengthen the Wisconsin Job Center system to support employer-driven training needs and encourage individual self-reliance.
- Promote programs that increase the number of skilled workers and provide resources to all Wisconsin workers seeking work, including persons with disabilities and youth.

State Plan

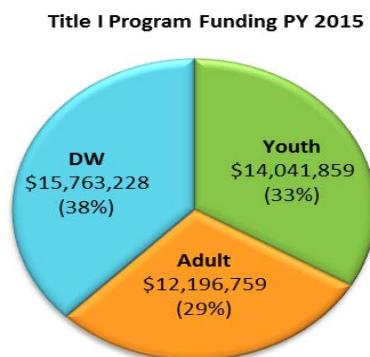
Wisconsin's PY16-19 WIOA Combined State Plan was approved by the U.S. Departments of Labor and Education on October 20, 2016. The development of the WIOA Combined State Plan was guided by the WIOA Leadership Team comprised of executive level leadership from all of Wisconsin's combined state plan programs. The combined state plan includes the Adult program, Dislocated Worker program, Youth program, Wagner-Peyser Act program, Adult Education and Family Literacy Act program and Vocational Rehabilitation program, Office of Veterans Services and the Trade Adjustment Act.

Local Plans

DWD teams were developed to review the local plans for the eleven workforce development boards. All workforce development boards were given conditional approval. As the Department of Labor issues guidance on WIOA, the plans will need to be modified and approved by DWD accordingly.

WIOA Title I Programs and TAA

The State received over \$42 million in Workforce Innovation and Opportunity Act (WIOA) Title I formula funding from the U.S. Department of Labor (USDOL) in PY 2015, covering the period July 1, 2015 to June 30, 2016. This represented a slight increase (approximately one percent) from the prior year's Title I funding. While the PY 2015 Youth and Adult program Title I funding saw a slight increase from the prior year, the Dislocated Worker (DW) program funding decreased by approximately three percent.



Of the PY 2015 funds, 90 percent of the Youth and Adult formula funds and 65 percent of the DW formula funds were allocated to the State's 11 workforce development boards (WDBs) for the administration and implementation of their respective local programs. Ten percent of total funding was reserved for the State's administrative and statewide activities. The State also reserved 25 percent of its DW funding for statewide rapid response activities and "additional assistance." The State has three years to expend its WIOA program year funding.

For the same period, the State also received over \$10 million in Trade Adjustment Assistance (TAA) funding to provide re-employment and training services to dislocated workers who lose

their job due to foreign competition or off-shoring.

The State had five active National Dislocated Worker grants from USDOL during PY 2015, four of which started prior to PY 2015. The combined total of the grants is over \$5.4 million. National Dislocated Worker grants help to expand the WIOA Title I DW program capacity when large layoffs occur and result in increased demand on program funding.

The WIOA Title I and TAA programs are designed to help strengthen the economy by helping to develop a skilled and work-ready labor force which meets the needs of employers. Many who seek services through the WIOA Title I and TAA programs have one or more barriers to employment. For those with barriers to employment, the WIOA Title I and TAA programs provide opportunities for employment and increased earnings. During PY 2015, the State's WIOA Title I programs served a total of 12,161 participants (2,391 Youth, 4,506 Adult, and 5,264 DW) and the TAA program served a total of 1,760 participants.

Training program participants for in-demand jobs is a focus of both the WIOA and TAA programs. In PY 2015, nearly 40 percent of WIOA Adult and DW participants and 58 percent of TAA participants received financial assistance towards training programs.

Also in 2016, DWD-DET significantly enhanced and redesigned its grant system. DWD-DET implemented annual allotments (one-year grants to the WDBs so they have a reliable source of funding to build and maintain their local rapid response programs) and dislocation grants (funding to help the local rapid response teams carry out comprehensive rapid response services such as job search-related workshops, information sessions, and targeted job fairs for individuals impacted by one or more specific layoff events). DWD-DET also revamped its Additional Assistance Grant program, making it more responsive to both state and local needs. Additional Assistance grants are made to WDBs to help them build Title I DW program capacity in order to effectively serve an influx of program participants resulting from larger layoff events. Along with these changes, DWD-DET launched its new Rapid Response Events Tracking System (RRETS) to document layoff events and services provided. RRETS has been recognized as a best practice by USDOL.

Division of Vocational Rehabilitation (DVR)

Mission

The mission of the Division of Vocational Rehabilitation (DVR) is to obtain, maintain and improve employment for people with disabilities by working with consumers, employers, and other partners.

DVR serves:

- ➊ Individuals with disabilities, assisting them to maximize their employment opportunities by helping them develop the skills that today's businesses are seeking in the workforce of the future.
- ➋ Business owners, providing the talent of qualified job seekers with disabilities and helping them achieve a better bottom line.

DVR's primary services for job-seekers with disabilities are:

- ➊ Career guidance and counseling.
- ➋ Disability and employment assessment.
- ➌ Job search and placement assistance.
- ➍ Information and referral services.
- ➎ Transition to work services for students with disabilities in high school.
- ➏ Employment service support for persons with significant disabilities; includes time-limited on-the-job supports.
- ➐ Vocational and other training.
- ➑ Rehabilitation Technology.
- ➒ Occupational licenses, tools, and other equipment.
- ➓ Assistance with self-employment development.

DVR's primary services for businesses are:

- ➊ Recruitment of pre-screened applicants.
- ➋ Access to financial incentives for hiring qualified applicants with disabilities.

- Assistance to increase accessibility of the businesses' products and services for both employees and customers.
- Education for managers and staff related to disability and employment.

2016 Accomplishments

Serving Job-Seekers with Disabilities

- More than 15,000 job seekers with disabilities actively engaged with DVR in an Individualized Plan for Employment.
- 4,615 individuals with disabilities successfully reached their employment goal and entered the workforce.
- The earnings of these 4,615 recent additions to Wisconsin's workforce are projected to be an estimated \$82 million annually, more than double the public investment made during the entire time they received DVR services. Their wages will bolster Wisconsin's economy and transform successful DVR customers into workers and taxpayers, and measurably decrease their dependence on public assistance.

Meeting Business Needs

- In 2013, Wisconsin DVR hired 20 Business Services Consultants into project positions. In October 2016, DVR replaced the project positions with nine permanent ones. These individuals develop relationships with Wisconsin businesses and help them recruit, hire and retain people with disabilities.
- Since Federal Fiscal Year (FFY) 2013, DVR Business Services Consultants have:
 - Been involved in 1,615 direct hires of DVR job seekers.
 - Arranged 645 On-The-Job Training (OJT) experiences for DVR job seekers.
 - Arranged 895 internships and temporary work experiences for DVR job seekers.
 - Had contact with 9,862 businesses in Wisconsin to discuss recruiting and hiring people with disabilities.
- In Federal Fiscal Year 2016, more than 325 OJT private-sector hires were supported by a 50% payroll cost subsidy for employers providing up to 90 days of on-the-job training following a hire.

DVR Exceeds Federal Expectations

- The Rehabilitation Services Administration (RSA), the US Department of Education agency that provides almost 80% of Wisconsin DVR's funding, establishes performance indicators that each state's vocational rehabilitation agency is required to meet. Wisconsin's DVR programs exceed all federal targets.

Performance Indicator	Target	Wisconsin DVR
Those achieving an employment outcome	3,920	4,632
Those who achieved an employment outcome who have a significant disability	62.4%	99.8%
Those who achieved an employment outcome who listed "own income" as primary support when leaving DVR	53%	86.5%

DVR Innovations

- Wisconsin was selected as one of six sites for a major federal grant from the US Department of Education. The 5-year, \$32.5 million pilot called Wisconsin Promise is aimed at improving the education and career outcomes of low-income children with disabilities who receive a Supplemental Security Income benefit from the Social Security Administration. DVR is partnering with several other state agencies and other partners to coordinate services to youth and their families. Enrollment closed in 2016 and the target goal of 2,000 was surpassed with 2,024 youth and their families enrolling in the PROMISE initiative.
- DVR expanded its partnership with the Walgreens Retail Employees with Disabilities Initiative (REDI) which provides training for individuals with disabilities in a retail setting. This national program began its pilot in three Milwaukee-area Walgreens retail locations in 2012 and now consists of 35 training sites throughout the state. Expansion of this place and train model will continue.
- Wisconsin continued its successful participation in Project SEARCH, a national program for young adults with disabilities that provides training and education that lead to integrated employment. In 2014, Governor Walker announced an expansion of Project SEARCH from 7 to 27 employers over three years. Currently 17 sites are participating in the program and 25 sites will be involved by the end of the 2017-2018 school year. DVR has partnered with DHS to implement the expansion. Each Project SEARCH program runs concurrent with the K-12 school year. There are currently 169 interns participating in the current 17 Wisconsin Project SEARCH employers during the 2016-2017 school year.

- DVR continued its Youth On-the- job Training initiative, which provides reimbursement to participating employers for the costs associated with training a youth in a job at up to 100% of wages for up to 500 hours. DVR transition consumers can work these hours either during school or summer breaks. In FFY 2016, DVR assisted almost 150 transition-age youth participating in the Youth OJT experience.

Division of Unemployment Insurance (UI)

Mission

To provide economic stability to Wisconsin communities, employers, and employees through innovative, efficient services which facilitate connecting job seekers with jobs.

2016 Accomplishments

- ➊ Average initial unemployment claims for the first 46 weeks of 2016 dropped to the lowest point since 1989. In addition, continuing unemployment claims are at their lowest in at least 30 years.
- ➋ Employers covered under the UI program will experience an estimated \$38 million reduction in their UI taxes for the 2017 tax year due to the improved condition of the state UI Trust Fund, which marks the second consecutive tax year that the UI tax rate will be reduced. When combined with the \$97 million reduction for tax year 2016, employers will see an estimated reduction of \$135 million.
- ➌ UI's Bureau of Tax and Accounting won the U.S. Department of Labor's Tax Performance System Review Award for Best Tax Operation in the large state category.
- ➍ UI is in its second year of a multi-year project transitioning its telephone system from a call center model to a 21st century help center model, which allows customers the ease and convenience of more online self-services. UI implemented key enhancements to their online filing systems that are fast, secure, and mobile-friendly.
- ➎ UI implemented the pre-employment drug testing provisions for UI claimants who fail or refuse a pre-employment drug test as a conditional offer of employment. If reported by their employer or potential employer and the individual is found to be claiming benefits, the individual has the option of enrolling in a state-funded substance abuse treatment program, helping claimants address underlying barriers to employment.

Financials

- ➏ On October 31, 2016 the UI Trust Fund Reserve Fund Balance was \$1.2 billion, an increase of \$400.3 million over the \$807.8 million balance on October 31 last year. Since reaching a low of negative \$1.6 billion on March 31, 2011, the UI Trust Fund has been solvent since July 30, 2014. The UI Reserve Fund balance was \$980 million on June 30, 2016, the statutory date for measuring the balance used to determine the required tax rate schedule for the following year. The UI Trust Fund balance exceeded the \$900 million threshold needed to move to a lower UI tax rate schedule for 2017, the second consecutive year that a lower tax schedule has been triggered.

- ➄ Through October 2016, the Federal Tax Offset Program (TOP) collected \$6.8 million in benefit overpayments from federal tax refunds. Since the program began in 2011, UI has intercepted \$50.9 million. Through October 2016, the State Tax Offset Program collected \$2.9 million from tax refunds and a total of \$ 28.5 million from state tax refunds since 2011. UI's success with TOP reflects an ongoing commitment to improve the integrity of the UI program.
- ➄ On November 11, 2015 the Governor signed into law an expansion of the Federal Tax Offset Program to collect delinquent employer contributions. UI implemented the change for the 2016 tax season. Fiscal estimates forecast an increase of \$4.3 million annually in delinquent employer contributions to be deposited into the UI Trust Fund.

Improved Customer Service

- ➄ Responding to our customers trending towards free, fast and easy online self-service, UI has prioritized key enhancements to our online systems to file initial and weekly UI claims. These enhancements provide UI claimants with more opportunities to file a fast and accurate claim online without any hold times when it is convenient for them. These online systems are mobile friendly, providing secure access from any smartphone, tablet or computer. In March 2016, DWD completed an improved Internet Weekly Claim application (IWC) after success with the dramatically improved online inquiries application (IIQ) and an Internet Initial Claim application (ICR). Highlights of the positive impact that UI online filing have had include:
 - ➊ Of those who start an initial claim online, the percentage of claimants who complete initial claims online increased from about 57 percent to 91 percent.
 - ➋ The percentage of claimants who start their initial claim online has also risen. As a result of these continued improvements, the percentage of people who are using online services from start to finish without needing to speak to a claims specialist has nearly doubled.
 - ➌ Due to service delivery enhancements and operational changes, the percentage of claimants who file their weekly claim online has increased to 75 percent.
- ➄ UI continues to present at employer education sessions in-person across Wisconsin and also conveniently online. The sessions offer valuable information including the employer's role in the UI process, resolving eligibility issues, how tax rates are calculated and how to prepare for a UI hearing. In total, 25 employer presentation sessions have been conducted as of November 1, 2016.
- ➄ Starting in 2016 most UI claimants will view their Federal Tax Documents (1099-G) online instead of receiving a paper copy in the mail. These claimants are also given the option of an email alert when the 1099-G is posted online. This is in response to customer preference for greater self-service and the convenience of online resources. This improved service reduces call volume to UI staff and saves money by reducing postage costs.

Program Integrity

Work Search Audits and Savings:

- UI claimants who are required to search for work must submit a copy of their work search record each week a claim is filed. These records are subject to random audits for verification. Benefits are denied for that week if a work search record is found to not meet legal requirements. From January through October 2016, 2,336 weeks of payments have been denied due to work search audits. This has resulted in \$1,177,737 in savings to the UI Trust Fund.

Worker Misclassification:

- The worker misclassification unit has conducted 526 investigations from January through October 2016. Of those 526 investigations, 82 have resulted in audits by the Field Audit Section in the Bureau of Tax and Accounting. An additional 86 audits have been scheduled but are not yet completed.
- The 82 audits yielded 997 workers reclassified as employees and \$384,900 in UI tax, interest and penalties assessed.

Fictitious Employers:

- In 2016, UI prosecuted the last two individuals in a case involving several fictitious employers. Had the scheme not been detected, the loss to the UI Trust Fund would have exceeded \$490,000.

Increased UI Fraud Referrals:

- From January through October 2016, UI referred 70 cases for criminal prosecution to the Department of Justice and local district attorneys for UI fraud. Thus far in 2016, there have been 36 convictions for cases referred in 2015 and 3 convictions for cases referred in 2016.

Crossmatches:

UI Fraud Overpayment Detection Amounts and Decisions by Source

Detection Method	OCT 2016 YTD Amount	OCT 2016 YTD Decisions
Wage Record Crossmatch	\$2,889,853	2,147
Post Verification of Wages	\$187,785	183
Liable Employer Protests Benefit Charges	\$796,855	1,022
Tips and Leads from Other than Liable Employer	\$402,652	359
State New Hire Crossmatch	\$658,836	1,224
National New Hire Crossmatch	\$67,054	62
Quality Control	\$38,354	28
Inmate Crossmatch	\$14,077	23
Appriss Inmate Crossmatch	\$53,019	107
Post Verification-No Wages Reported	\$260,359	630
Audit of Worksearch	\$38,327	49
Field Audit Discoveries	\$8,121	4
Interstate Crossmatch	\$90,384	24
Agency Detection - Not Covered by Other Codes	\$2,309,992	1,638
Claimant Initiated	\$129,091	108
Federal Wage Crossmatch	\$181	1
Sum:	\$7,944,940	7,609

Worker's Compensation Division (WC)

Mission

The mission of the Division of Worker's Compensation is the promotion of healthy, safe work environments for the benefit of employers and workers by maintaining a balanced system of services to ensure compliance with the provisions of the Wisconsin Worker's Compensation Act.

2016 Accomplishments

- Five active wrap-up projects are being monitored. Wrap-up projects are large construction projects with a single policy covering all contractors. Wrap-up projects are designed to provide a coordinated project safety program. On average, wrap-up projects reduce injuries by more than 30%.
- Through October 2016, the Bureau of Legal Services staff resolved 4,591 health care service fee and necessity of treatment dispute cases through alternative dispute resolution, preventing the need for costly litigation and administrative processes for all parties.
- Through September 2016, 82 percent of worker's compensation claims were paid within 14 days after a notice of injury. This percentage of prompt payment is among the best in the nation and reduces litigation and claim friction costs.
- Law changes enacted in 2015 solidified the long-term solvency of the Work Injury Supplemental Benefit Fund and the Uninsured Employers Fund. In 2016, both funds are in sound financial condition.
- The Division successfully implemented the transition of litigated services to the Division of Hearings and Appeals as required under Wisconsin Act 55.

Equal Rights Division (ERD)

Mission

- ➊ To protect the rights of all people in Wisconsin under civil rights and labor standards laws we administer.
- ➋ To achieve compliance through education, outreach, and enforcement.
- ➌ To create a positive and healthy business and work climate in Wisconsin through consistent, fair, and efficient enforcement of the law.

2016 Accomplishments

- ➊ Administrative Law Judge Mediators continue to have an excellent success rate of more than 70 percent of the more than 250 mediations completed annually. Mediation helps prevent the need for costly litigation for all parties.
- ➋ The Equal Rights Division kicked off an Outreach and Education program in 2015 aimed at ensuring that employers in Wisconsin have access to information about how to comply with the many civil rights and labor standards laws enforced by the agency. In 2016, the Division launched its "Master Class" series of web seminars offering instruction on advanced and "just-in-time" ERD topics at a low cost. Over 40 sessions were held reaching roughly 2,700 individuals.
- ➌ The Division has taken proactive steps to ensure that investigations are handled in an expedient manner, hearings are held as promptly as possible, and that hearing decisions are issued in a timely fashion. In the Labor Standards Bureau, cases that are under investigation for more than 240 days are down from 11 percent to 10 percent since November 2015. In the Civil Rights Bureau, only 10 cases are awaiting assignment to an Administrative Law Judge for hearing, down from 43 cases in March of 2015. The percentage of over-age Civil Rights cases (those over 180 days in investigation) has decreased from 28 percent in 2015 to 8 percent at the September 2016 measurement.

Administrative Services Division (ASD)

Mission

Provide strategic vision, leadership and solutions with our business partners to empower clients and customers.

2016 Accomplishments

- DWD expanded its lean government program by introducing two continuous improvement tools, delivering Executive Sponsor Training to DWD leadership and incorporating lean practices into the agency's strategic plan allowing DWD to reduce lead-time, repurpose staff hours to other value-added tasks and eliminate unneeded process steps.
- Successfully managed the implementation of STAR Human Capital Management (HCM) features and functionality across the agency with limited disruptions to staff.
- Successfully coordinated, facilitated and implemented Wisconsin Act 150 changes for Department employees. This included updating policies and procedures and educating supervisors and employees on significant changes.

Administrator's Office

Health, Safety and Wellness

- Provided five sessions of Active Shooter training to DWD facilities.

Incident Command

- Initiated a program and trained 147 staff statewide in first aid, automated external defibrillator use, and incident management.
- Updated Emergency Action Plans for all DWD offices to ensure preparedness in the event of an emergency situation.

Office of Policy and Budget

- Developed and submitted DWD's 2017-19 biennial budget proposal, including white papers containing analysis of fiscal, policy, and programmatic effects of proposals and position control reconciliation for over 1,600 FTE.
- Prepared and monitored DWD's State Fiscal Year 2016 operating budget and position control for all DWD Divisions and programs.

- Completed over 75 fiscal notes for legislative bills and Legislative Reference Bureau drafts for the 2015-16 Legislative Session.

Office of Procurement and Records Management

- Initiated participation in a three-year pilot project with the Wisconsin State Historical Society to increase access to state records in both the email and electronic file server environments.
- Enhanced the Workforce Contingency Application to include an Essential Records component to capture the location and type of records utilized by DWD staff.

Web Team

- Developed marketing materials for various DWD programs, initiatives and campaigns. The web, print and video assets support, enhance and advance the DWD brand.
- Lead the development of the Employee Engagement website and a key player in the marketing, maintaining and content creation for the site.

Bureau of Finance

- Continued to build upon the STAR implementation from October 1, 2016. Improved edits have been established to help ensure greater accuracy in the coding of transactions. The cost allocation steps have been built in STAR allowing our previous cost allocation system to be retired.
- Completed the first state fiscal year-end close in STAR continuing to process all financial transactions, including paying invoices, depositing cash, travel expenses, procurement card transactions and journals using the STAR system.
- There were no audit findings identified by the Legislative Audit Bureau in the state fiscal year 2014-2015 Single Audit.

Bureau of Information Technology and Chief Information Office

- The Computer Platform Services (CPS) Team was awarded the 2015 Lean Government Award. As a result of their effort, they were able to improve the self-restore process by 88% and remove 117 staff hours from that process; they improved the quality of the documentation by 80% and spend 874 fewer hours on that process.
- Completed a lean exercise with the Worker's Compensation Division as part of a design effort kicking off the Uninsured Employer Fund system replacement project. This will

replace a major mainframe system.

- ➊ Completed GEF-1 Computer Room relocation, infrastructure upgrades, and optimizations, saving over \$150,000 annually. These activities also eliminated long distance charges for Unemployment Insurance call centers.

Bureau of General Services

- ➋ Relocated Unemployment Insurance Call Center from Milwaukee to Menomonee Falls and implemented Sessions Initiated Protocol technology for the phone systems which eliminated the need for traditional telephone services.
- ➋ Conducted a Value Stream Mapping exercise for the DWD Leasing Program. The Department achieved a 48% improvement in process time and required steps to prepare and complete preliminary lease documents for submission to the Department of Administration, Division of Facilities Management. This outcome was presented at the 2016 Lean Government Conference and serves as a model for other agencies.

Bureau of Human Resource Services

- ➋ Delivered a second session of the DWD Aspiring Leaders Training program to twenty-five employees. These individuals are gaining the skills and insight critical to becoming future leaders within the agency.
- ➋ Offered 372 different training courses, attended by 4,466 staff, as part of DWD's commitment to continuing education and professional development.



Department of Workforce Development

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