



WISCONSIN

Department of Workforce Development

2015 ANNUAL REPORT



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



December 29, 2015

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

Dear Governor Walker,

Your leadership and vision continues to guide the Department of Workforce Development (DWD) as we develop Wisconsin's talent, prepare workers to enter and reenter the workforce and ensure that all DWD-administered programs operate effectively and provide the best possible business environment for our partners in the employer community.

DWD plays a critical role in preparing Wisconsin workers for 21st century jobs in the state's key employment sectors. By providing Wisconsinites the skills needed to succeed in today's workforce, current and future employers can rely on a system that will ensure that Wisconsin's workforce stands ready to serve them for decades to come.

I am pleased to share with you DWD's many achievements in 2015, highlights of which include:

Office of Veterans Services: Since launching the WiscJobsforVets website, over 500 disabled veterans with disabilities of 30% or more have signed up and are using the website. Over 40 disabled veterans have gained employment with the state earning an average of \$21.06 per hour. In addition to the placements through WiscJobsforVets, 1,808 veterans with significant barriers to employment entered the workforce following staff-assisted services through OVS.

Addressing the Skills Gap: In September 2015, DWD launched the first phase of new, mobile-friendly employment tools available to employers and job seekers at no cost, 24 hours a day on Wisconsin's online public labor exchange, JobCenterofWisconsin.com (JCW). Initial enhancements move the state's Labor Market Information System (LMIS) toward the ultimate vision of a best-in-class system that integrates existing applications, such as JobNet Business, Skill Explorer and WORKnet, with the latest available data to connect talent with job postings based on skills. Easily consumable labor market information also helps clients, customers and other stakeholders make informed employment decisions.

Youth Apprenticeship: Enrollment for the 2014-2015 school year continued to grow, reaching 296 school districts and 2,551 youths working at 1,820 businesses.

Assisting Disabled Workers Obtain Gainful, Integrated Employment: 4,875 individuals with disabilities successfully reached their employment goal and entered the workforce, the highest rate in more than 15 years and an increase of over 400 when compared to 2014. The earnings of these additions to Wisconsin's workforce are projected to be \$85.5 million annually, giving them the dignity that work and earning a wage can provide. DWD also eliminated the Category 2 wait list for DVR consumers for the first time since 2004.

Unemployment Insurance (UI) Trust Fund: The bold reforms passed by the Legislature and signed into law have continued to pay dividends for Wisconsin employers and workers. The UI Trust Fund balance was \$510 million on June 30, 2015, 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 \$300 million threshold needed to trigger a lower UI tax rate schedule for 2016. The lower tax rate schedule is expected to reduce the UI employer tax burden by an estimated \$97 million for 2016.

A Modern and Efficient UI Claim Filing Process: In November 2014, DWD dramatically improved online filing through its online application (IIQ) and an improved Internet Initial Claim application (ICR). To date, the percentage of claimants who complete their initial claim online with no staff intervention has increased from 57 percent to 90 percent.

Increasing Reemployment Services for all UI claimants: In March 2015, DWD introduced its online Reemployment services (RES) which include service delivery to all UI claimants who are required to search for work by leveraging 21st century technology to increase access and compliance. RES provides a tailored approach to providing services by addressing each claimant's specific barriers to employment. The initiative is centered on a complete online orientation and assessment which gives a brief overview of the available services both online and at the local Job Centers and provides a 31 question assessment of barriers to employment and assigns a level of service based on the individual needs of the job seeker. The engagement of UI claimants has increased significantly; since implementation, 80% of individuals who are required to report in-person to a Job Center comply with the requirement compared to roughly 52% of claimants prior to the roll out. In addition to increased compliance, 31% of individuals who participated in the online workshop and assessment did so voluntarily, expanding the reach of these key services.

These accomplishments and many more from 2015 are included in the following report. Under your leadership, DWD remains committed to providing workers with the skills needed to succeed in today's 21st century economy while ensuring that our programs for both employers and employees remain viable and solvent, providing the best possible business environment and positioning Wisconsin as a national leader in talent development and job growth.

Sincerely,



Reggie Newson
Secretary

Department of Workforce Development

2015 Annual Report

Table of Contents

Department Overview.....	2
DWD Organization	3
Office of the Secretary	4
Division of Employment and Training (DET)	6
Division of Vocational Rehabilitation (DVR)	17
Division of Unemployment Insurance (UI)	21
Worker’s Compensation Division (WC)	25
Equal Rights Division (ERD)	26
Administrative Services Division (ASD).....	27

Department Overview

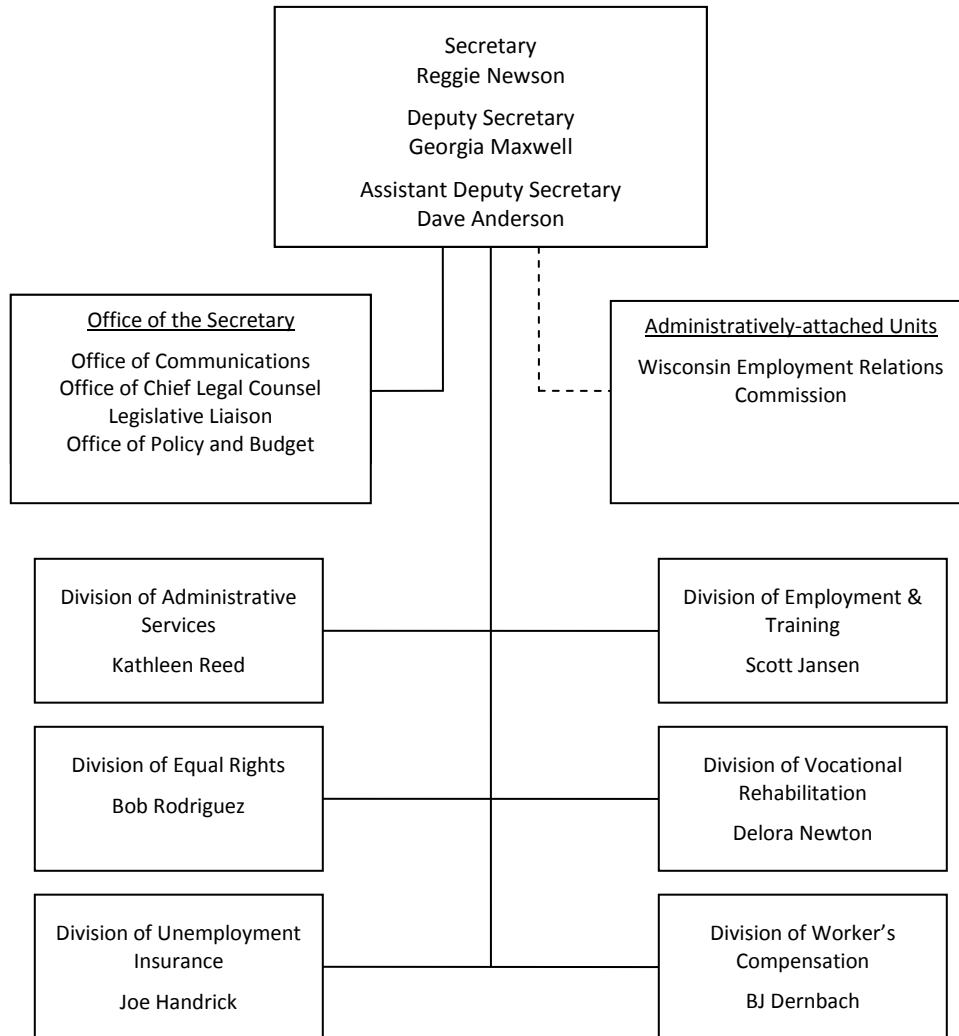
The Wisconsin Department of Workforce Development (DWD) is the state agency charged with advancing Wisconsin's economic and business climate by empowering and supporting the workforce. The Department's vision, *Building the workforce to move Wisconsin forward*, is carried out by supporting Governor Walker's "Open for Business" agenda in partnership with the private sector to make available the resources necessary to develop talent and ensure a skilled and talented workforce is available to find employment.

The Department is led by Secretary Reggie Newson, appointed by Governor Scott Walker in October 2011. The annual operating budget for DWD is nearly \$400 million, and its staff totals approximately 1,700 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:

- ② Improve Our Ability to Connect Job Seekers to Jobs;
- ② Develop a Skilled Labor Force Aligned with Employers' Needs;
- ② Promote Unemployment Insurance Trust Fund Strength and Program Accuracy;
- ② Increase the Business Value of Program and Service Delivery Through Innovation and Technology; and
- ② Provide Opportunities for all DWD Staff to Understand How They Contribute Towards DWD's Mission.

DWD Organization



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.

Office of the Secretary

2015 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 inquires. 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 900 contacts regarding a number of subject matters which resolved constituent issues, assisted in policy interpretation and influenced proposed legislation.

Office of Policy and Budget (OPB)

The Office of Policy and Budget (OPB) located within the Secretary's Office is responsible for the Department's Operating and Biennial Budget processes. OPB staff prepares the biennial budget request document, which includes the requested funding and position levels, statutory language changes, and descriptions of each budget item. OPB staff responds to inquiries and requests for additional information and analyses and presents and advocates for the Department budget proposals. In addition, OPB participates on Department work teams dedicated to developing, monitoring, and providing budget consultation for DWD programs.

Highlights of OPB activities in 2015 include:

- Implementation of 2015 Wisconsin Act 55, the Budget Bill, provisions that affected DWD's authorized positions in three Divisions: Administrative Services, Employment & Training and Worker's Compensation. OPB in consultation with the Department of Administration, DWD's Bureau of Human Resource Services and the affected divisions developed documentation of the agencies' final reconciled list of position numbers to be used to meet the legislatively required changes.
- Completion of over 80 fiscal notes for legislative bills and Legislative Reference Bureau drafts for the 2014-15 Legislative Session. By responding timely to requests for fiscal notes, legislators are aware of the potential impact of legislation on the Department and are able to make an informed decision on whether or not the benefit outweighs the cost of the proposal.
- Establishment of the Operations and Program Integrity section, which is responsible for DWD annual operating budget functions and program review and program integrity functions, including audits and evaluations of programs.

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.

The Communications Office had over 600 contacts with members of the media in 2015 through December 10, 2015.

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.

The DWD was recently awarded the Mid-America Economic Development Council's annual Economic Development award in the marketing category of the Workforce Development – large division. The award recognized the Department's work on State of Opportunity, a Gannett Wisconsin initiative designed to address the skills gap and highlight careers, training programs and success stories in the newspapers' coverage area.

The Mid-America Economic Development Council is a multi-state association dedicated to being the leading resource for education, making connections, and sharing best practices for economic development professionals.

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.

2015 Accomplishments

Office of Veterans Services (OVS)

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 organization is comprised of two distinct groups of staff, Local Veteran Employment Representatives (LVERs) and Disabled Veteran Outreach Program (DVOPs) Employment Specialists.

Of the 2,897 veterans DVOPs served through September 30, 2015:

- 1,244 were campaign veterans.
- 1,123 were disabled veterans.
- 774 were veterans with a 30% or more service connected disability.
- 124 were homeless veterans.
- 1,063 were post 9/11 veterans.

As of September 30, 2015, OVS met or exceeded 12 of its 13 U.S. Department of Labor (USDOL) Negotiated Performance Standards:

- 1,808 veterans with significant barriers to employment entered the workforce following staff assisted services by DVOPs.
- 1,295 veterans with significant barriers to employment entered the workforce following intensive services by DVOPs.

OVS Partnerships Developed

- OVS signed a Memorandum of Understanding (MOU) with Northeast Milwaukee Job Center and the Milwaukee Center for Veterans Issues to ensure homeless veterans receive intensive employment services provided by DVOPs.
- OVS signed a MOU with the Wisconsin Department of Veterans Affairs and the State Department of Corrections which directs DVOPs to provide intensive services for incarcerated veterans who will be released.
- OVS staff provided employment support to 270 Wisconsin National Guard members at reintegration events held in Madison and Rothschild.

Examples of success stories following OVS services

- A low income veteran was offered and accepted an Electro Mechanic position with a local electrical repair company making \$16.00 per hour. DVOP staff provided case management, resume development, interview skills development, job and employer referrals, and veterans' priority of service information.
- A veteran at risk of homelessness was offered and accepted a Driver and Locomotive Fuel Service Technician position making \$17.00 per hour with a railroad company in Green Bay. DVOP staff provided case management, referrals to other agencies for housing assistance, resume and cover letter development, job referrals, and group counseling.
- A veteran with a service-connected disability was accepted into a Management Training Program with a local rent-a-car employer starting at \$17.50 per hour. DVOP staff provided case management, job referrals, assisted job search and placement assistance.

WiscJobs for Vets

The WiscJobs for Vets website was launched in 2014 in coordination with the DWD OVS, the Bureau of Human Resource Services and the state Department of Administration's Office of State Employment Relations (now the Division of Personnel Management). This website provides a more systematic process of recruiting and referring veterans with a service-connected disability of at least 30%. During the program year DWD OVS added a LVER and DVOP staff member to the central office to coordinate and promote the opportunity. As of November 2015, 538 disabled veterans with disabilities of 30% or more were enrolled and using the website. The State of Wisconsin posted 205 state jobs and 40 disabled veterans were hired with an average wage of \$21.06 per hour, with additional placement activities ongoing.

Workforce Information and Technical Support

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.

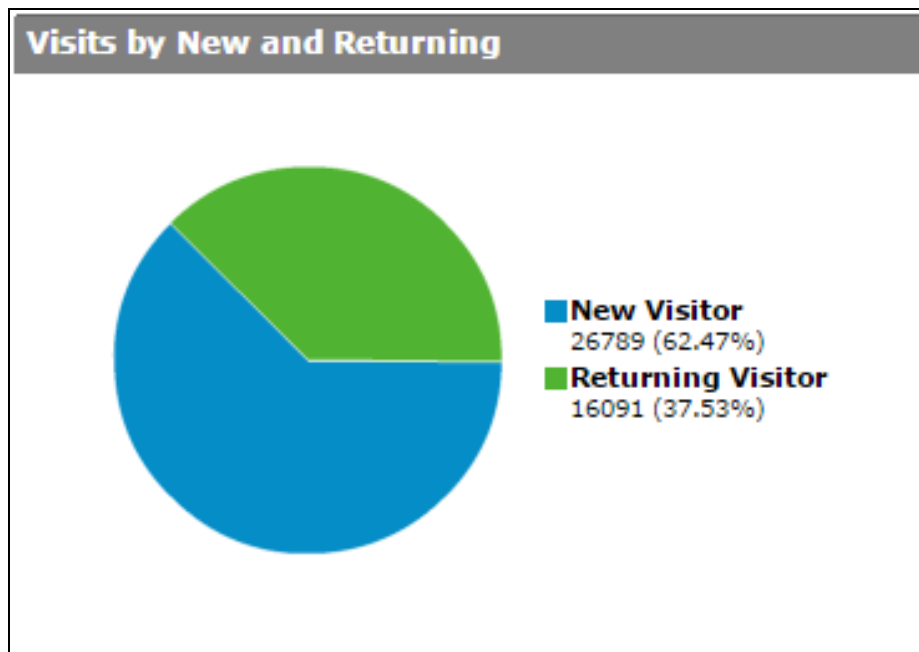
Numerous WITS projects were undertaken which align with the Department's strategic plan as well as assist in moving the state's workforce development system forward. Highlights of these projects are:

- ▶ Presented LMI information at nearly 100 events requested by partners, employers, associations, etc.
- ▶ Worked closely with the Wisconsin Housing and Economic Development Authority (WHEDA) to analyze an urban redevelopment area so that WHEDA could develop strategies to develop the local business community.
- ▶ Worked with private business to scope regional workforce resources.
- ▶ Provided demographic and workforce characteristics to businesses that are/were considering expanding or relocating to Wisconsin.

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. Almost 42,900 visitors accessed Skill Explorer through November 24, 2015.

Skills Explorer Usage, January 1, 2015 – November 24, 2015



Office of Skills Development

Governor Walker's Wisconsin Fast Forward program is making up to \$30 million in customized, demand-driven worker training grants available to Wisconsin employers. Originally signed in to law in March 2013 with a \$15 million investment in State General Purpose Revenue, the high-impact worker training program was reauthorized in June 2015 through an additional \$15 million investment. Governor Walker's Blueprint for Prosperity initiative was signed in spring 2014 and includes another \$35.4 million in grant funding to:

- Reduce wait lists in the technical college system.
- Support school-to-work programs.
- Provide assistance to efforts that seek to employ persons with disabilities, including veterans with service-related disabilities.

The Wisconsin Fast Forward program and Blueprint for Prosperity initiative are administered by the Office of Skills Development. Grant-funded outcomes through September 30, 2015 are:

Program	Requested	Intent to Award Grant Amount	Contracted Grant Amount	Total Grant Awards	Total Anticipated Trainees
Standard Wisconsin Fast Forward					
Total Appropriation: \$30,000,000					
Round 1	\$4,071,700	\$2,604,943	\$2,599,158	32	2,244
Round 2	\$5,622,313	\$3,429,005	\$3,424,005	47	4,691
Round 3	\$11,048,041	\$6,820,821	\$6,322,427	67	7,076
TOTAL:	\$20,742,054	\$12,854,769	\$12,345,590	146	14,011
Blueprint for Prosperity					
Total Appropriation: \$35,400,000					
Tech College Wait List Reduction	\$38,696,551	\$28,021,052	\$27,641,935	100	4,908
High School Pupil Round 1	\$3,209,450	\$2,125,939	\$2,065,652	30	949
High School Pupil Round 2	\$3,124,924	\$2,525,173	\$2,385,628	45	1,102
Training Workers with Disabilities	\$1,189,112	\$622,340	\$621,385	11	210
TOTAL:	\$46,220,037	\$33,294,504	\$32,714,600	186	7,169

Labor Market Information System

In September 2015, DWD launched the first phase of new, mobile-friendly employment tools available to employers and job seekers at no cost, 24 hours a day on Wisconsin's online public labor exchange, JobCenterofWisconsin.com (JCW). Initial enhancements move the state's Labor Market Information System (LMIS) toward the ultimate vision of a best-in-class system that integrates existing applications, such as JobNet Business, Skill Explorer and WORKnet, with the latest available data to connect talent with job postings based on skills. Easily consumable labor market

information also helps clients, customers and other stakeholders make informed employment decisions.

Bureau of Apprenticeship Standards

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

From January 1, 2015 through November 30, 2015, 2,692 new apprentices began training. There are currently 9,996 total active apprentices and 1,192 apprenticeship sponsors. The number of program sponsors increased by 3% over last year, with the industrial sector seeing a gain of 7%.

Key highlights from 2015 include:

- The first WI Apprenticeship Summit was held on January 28-30, 2015 in Racine as part of a partnership with the Johnson Foundation. Forty participants from industry, labor, Wisconsin's Workforce System, Economic Development, the Wisconsin Technical College System and the Department of Public Instruction attended the summit to evaluate and discuss current apprenticeship research and operating models. An Action Plan to improve and modernize the Wisconsin Apprenticeship System that addresses Wisconsin's changing economy was developed and endorsed by the Summit participants.
- The DWD/Bureau of Apprenticeship Standards was awarded a \$5 million grant to fund the Wisconsin Apprenticeship Growth and Enhancement Strategies (WAGE\$) project. Over the five-year life of the grant, WAGE\$ will train 1,000 new apprentices and up-skill 542 incumbent workers. WAGE\$ will register new apprenticeship programs in three sectors including Advanced Manufacturing, Healthcare and Information Technology.
- The Wisconsin Apprenticeship Advisory Council formed a Wisconsin Apprenticeship Career Pathway sub-committee to develop a bridge program between youth apprenticeship and the registered apprenticeship program. The bridge creates a seamless pathway between the two programs and employment. Work has begun with the Machine Tools trades and in the future we will implement the program into the other occupations.

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 business to successfully match talent and opportunity.

Highlights of activities from 2015 include:

- Bureau of Job Service staff assisted businesses in processing 307,628 job openings through our State labor exchange.
- 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. **Career Expos** were held in Green Bay, Fond du Lac, Eau Claire and West Allis with 412 employers represented and 3,802 job seekers attending.
- **84 Job Fairs** were held throughout the state and included 3,771 employers and 29,661 job seekers participating in these events.
- On September 16, JCW2 (JobCenterofWisconsin.com) officially rolled out across the state, including many enhancements, updated and increased functionality, and a whole new look to the website. The changes and enhancements were well received by both groups. On average, 1,469 new job seekers register each week with JCW. Since January 1, 2015, the JCW website has been visited, **4,748,145** times.
- During this program year, 25,006 UI claimants participated in two programs, RES (re-employment services) and REA (reemployment eligibility assessment). With our enhanced service delivery, which delivers online tutorials to some claimants, claimants moved quickly through reemployment services and into new employment
- Additionally, the Bureau of Job Service has many additional highlights for this program year, which include:
 - 354 outreach visits during 2015 serving 7,910 customers
 - 2,136 workshops were facilitated by Job Service staff reaching 7,379 job seekers

Enhanced JobCenterofWisconsin.com

The Job Center of Wisconsin team utilized the same search logic that has been successful in Skill Explorer and integrated it into the resume-building tool as part of the new JobCenterofWisconsin.com release 1 updates. This system uses data from the Workforce Information Database to compare the skills of the job seeker's previous occupations and suggests other occupations that use 75% of the same skills. This provides the job seeker with suggestions for occupations that they may not have thought they were qualified for or known about; expanding their occupation search and providing access to more jobs.

Bureau of Workforce Training

DWD-DET's Bureau of Workforce Training (BWT) refined its mission and vision in 2015. The new mission and vision provides guidance to BWT, which administers employment and training programs and convened plans to strengthen the state's talent development system.

Governor's Council on Workforce Investment

In March of 2015, Governor Scott Walker issued Executive Order #152, which established a new state workforce board, the Governor's Council on Workforce Investment (CWI), to meet federal standards contained in the 2014 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:

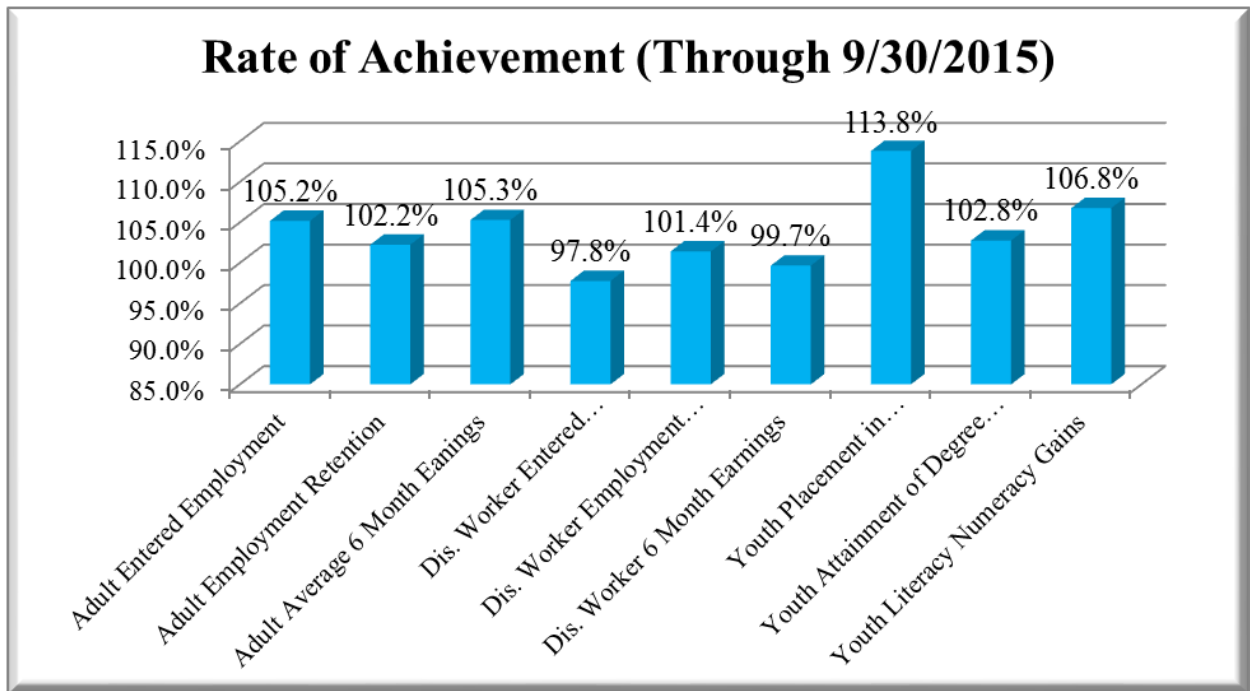
- Recommend strategies that align workforce development resources to support economic development, encouraging the development of career pathways that support high-demand industry sectors.
- Identify and implement best practices that will strengthen the Wisconsin Job Center system to support employer-driven 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.

DWD-DET reorganized the CWI during 2015, implementing two new committees to increase stakeholder input into the activities of the state's talent development system.

The CWI has three committees, including an Executive Committee comprised of the Executive Director, DWD Secretary Reggie Newson, CWI Chair, Vice Chair, and Co-Chairs of the standing committees. The Executive Committee provides overall direction to Council activities and also takes action on matters when time does not allow issues to be addressed at a regularly scheduled Council meeting. The two additional standing committees are the Talent Development and Planning Committee and the Partnership Development and Resource Alignment Committee.

Workforce Investment Act Performance in 2015

The Workforce Investment and Opportunity Act performance measures do not take effect until Program year 16, which begins July 1, 2016. The chart on the following page shows the state's rate of achievement of the federal performance goals for WIA through September 30, 2015.



Workforce Innovation and Opportunity Act (WIOA)

Charged with leading Wisconsin's transition from WIA to WIOA via Governor Walker's Executive Order #152, DWD Secretary Reggie Newson tasked DET, which administers Title I of WIA and WIOA, with implementation. Of the core programs of WIOA, Wagner-Peyser and Vocational Rehabilitation services are administered by DWD, and Title II services are administered by the Wisconsin Technical Colleges System (WTCS). A WIOA Executive Committee was formed, and its members included DWD Secretary Newson, WTCS President Morna Foy, Administrators from the DET, Division of Vocational Rehabilitation, and Unemployment Insurance Division, and the WTCS Provost. The state's WIOA Implementation Director is BWT Director, Phil Koenig. DWD continues efforts to implement WIOA in 2016, including plans to submit a combined state plan for WIOA in March 2016.

Youth Apprenticeship

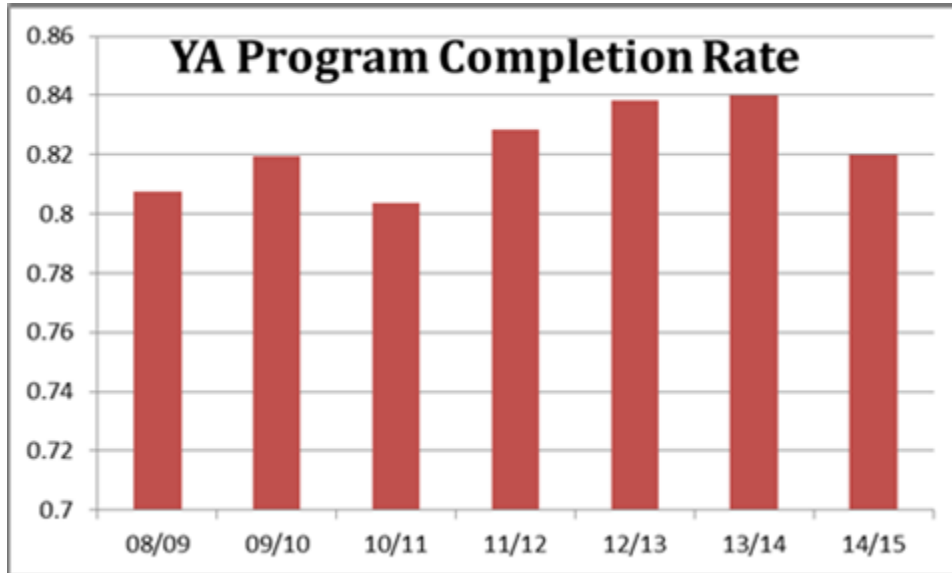
Program Summary

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 careers 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 20,000 Wisconsin students have successfully completed the YA program.

2014-2015 School Year

Enrollment for the 2014-15 school year continued to grow, reaching 2,551 youth apprentices, representing 296 school districts and working at 1,820 businesses.

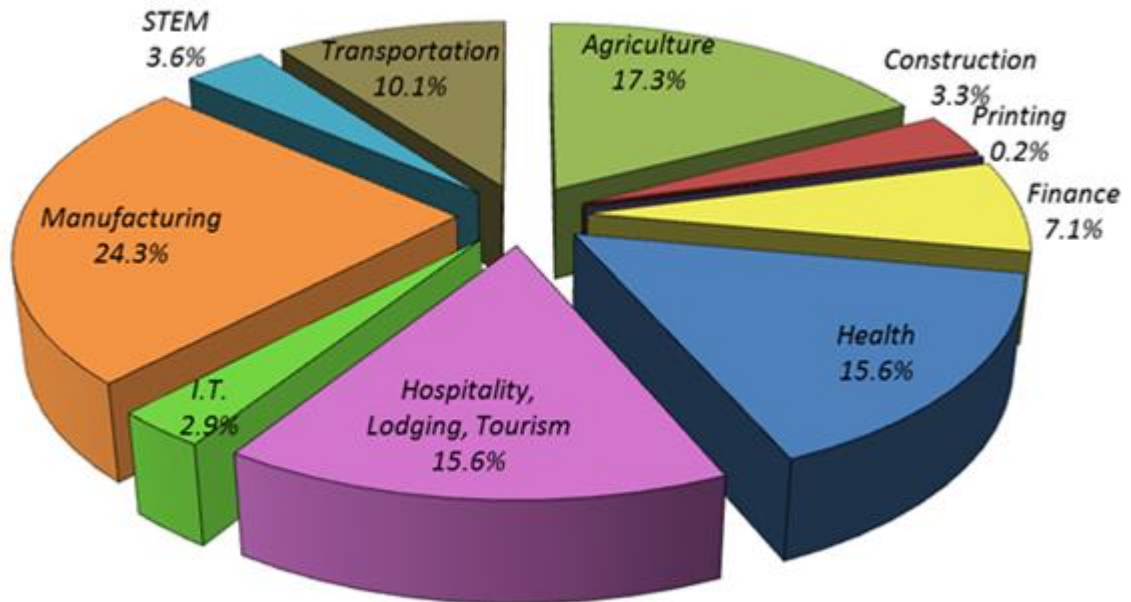
82% of youth apprentices enrolled in the program in 2014-2015 successfully completed the program and received a state skill certificate. In total, 1,593 certificates were issued.



More than 74% of two-year graduates in 2014-15 were offered continued employment by the employer that provided their on-the-job training as of November 30, 2015, when information was available for 28 of 32 consortiums.



Youth Apprentices by Career Area 2014-15



The Youth Apprenticeship program has issued \$4.5 million in grants over two years to 33 local partnerships.

Five new Youth Apprenticeship Pathways in the Architecture and Construction Cluster have been created. The new pathways, in Carpentry, Electrical, Masonry/Concrete, Plumbing, and HVAC provide universal fundamentals for working in the skilled trades along with certain components of each specific trade. Each pathway functions as a one year Youth Apprenticeship program.

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:

- 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.
- Business owners, providing the talent of qualified job seekers with disabilities and helping them achieve a better bottom line.

DVR is located throughout Wisconsin, including in many Job Centers, in addition to our administrative office in Madison, WI.

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

- Career guidance and counseling
- Disability and employment assessments
- Job search and placement assistance
- Information and referral services
- Transition to work services for students with disabilities in high school
- Employment service support for persons with significant disabilities including time-limited, on-the-job supports
- Vocational and other training
- Rehabilitation Technology
- Occupational licenses, tools, and other equipment
- Assistance in small-business plan development

DVR's primary services for businesses are:

- Recruitment of pre-screened and qualified applicants
- Retention strategies for employees with disabilities

- 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

Federal Fiscal Year 2015 Accomplishments

Serving Job Seekers with Disabilities:

- More than 17,000 job seekers with disabilities actively engaged with DVR in an Individualized Plan for Employment.
- 4,875 individuals with disabilities successfully reached their employment goal and entered the workforce, the highest rate in more than 15 years.
- The earnings of these 4,875 recent additions to Wisconsin's workforce are projected to be \$85.5 million annually.

Meeting Business Needs:


- Wisconsin DVR hired 20 new Business Services consultants in 2013. These individuals continue to develop relationships with Wisconsin businesses and help them recruit, hire and retain people with disabilities.
- Private-sector and public agency employers have benefited significantly from the following DVR On-the-Job Training initiatives:
 - In Federal Fiscal Year 2015, more than 400 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 invested more than \$750,000 for DVR job-seekers participating in six-month OJT internships with 29 state and other public agencies during Federal Fiscal Year 2015. Since February 2009, almost 100 DVR LTE employees have joined the State's permanent workforce as a result of their successful completion of an OJT-LTE internship position. DVR has also trained state agency HR staff on how to utilize exceptional hiring procedures and increase the hiring of people with disabilities.


DVR Exceeds Federal Expectations:


- The Rehabilitation Services Administration (RSA), the U.S. 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.


Performance Indicator	Target	Wisconsin DVR
Those achieving an employment outcome	4,420	4,875
Those receiving services who achieved an employment outcome.	55.8%	58.6%
Those who achieved an employment outcome at or above minimum wage.	72.6%	100%
Those who achieved an employment outcome who have a significant disability	62.4%	99.9%
Those who achieved an employment outcome who are earning the state average hourly wage or higher	52%	57.4%
Those who achieved an employment outcome who listed "own income" as primary support when leaving DVR	53%	65.5%

DVR Innovations:

-  Wisconsin was selected as one of six sites for a major federal grant from the U.S. 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 in 2015 received \$3.4 million in additional funds for Promise. DVR is partnering with several other state agencies and other partners to coordinate services to youth and their families. Since April 2014, over 1,400 youth and their families have enrolled in the PROMISE initiative, with a total enrollment goal of 2,000 during the multi-year project.

-  DVR partnered with the Walgreens Retail Employees with Disabilities Initiative (REDI) to provide 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 29 training sites throughout the state and will continue to expand.

-  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. DVR will partner with the Wisconsin Department of Health Services to implement the expansion. Each Project SEARCH program runs concurrent with the K-12 school year. There are currently 132 interns participating with the 13 Wisconsin Project SEARCH employers during the 2015-2016 school year.

-  DVR also established a Youth On-the-Job Training initiative which provides reimbursement to an employer for the costs associated with training a youth in a job at up to 100% of wages

for up to 500 hours. DVR consumers can work these hours either during school or summer breaks. In FFY 2015, DVR assisted almost 100 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.

2015 Accomplishments

- Saw average Initial UI claims for the first 46 weeks of 2015 drop to the lowest point since 1990. In addition, the annual average weekly continued UI claims are at their lowest levels since 1999.
- Filed the scope for drug testing provisions for certain individuals receiving UI benefits to help claimants address underlying barriers and move from government dependence to true independence.
- Implemented the increase in the civil penalty for concealment (fraud) from 15% to 40%, which was contained in Governor Walker's 2015-2017 state budget. As directed by the legislation, a portion of the penalty will be deposited into the program integrity fund and be used to combat fraud in the UI system.
- As of November 15, 2015, 99% of calls to UI call centers had a wait time of less than ten minutes for calendar year 2015.

Financials:

- Since July 2014, all federal loans to the UI Trust Fund have been repaid and the fund has been meeting its benefit costs. For Wisconsin employers in good standing this meant a full 5.4% credit on 6.0% Federal Unemployment Tax Act (FUTA) when they filed their 2014 federal employment taxes in January 2015.
- The UI Reserve Fund balance was \$510 million on June 30, 2015, 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 \$300 million threshold needed to trigger a lower UI tax rate schedule for 2016. The lower tax rate schedule is expected to reduce the UI employer tax burden by an estimated \$97 million for 2016.
- Through October 2015, the Federal Tax Offset Program (TOP) collected \$9.8 million in benefit overpayments from federal tax refunds. Since the program began in 2011, UI has intercepted \$48.3 million. Likewise, the State Tax Offset program collected \$3.6 million from tax refunds year to date, 2015, and a total of \$ 26.7 million from state tax refunds since 2011. The UI Division success with TOP reflects its ongoing commitment to improve the integrity of the UI program.
- On November 11, 2015 the Governor signed into law an expansion of the Federal Tax Offset

Program to collect delinquent employer contributions. UI expects to implement the change for the 2016 tax season (January 2017 implementation). Fiscal estimates forecast an increase of \$4.3 million annually in delinquent employer contributions to be deposited into the UI Trust Fund.

- With the passage of 2013 Act 36, the Bureau of Tax and Accounting has implemented Wisconsin Statute §108.223, the Financial Record Matching Program (FRM). At this time, 96% of WI banks are participating. One of the largest banks, US Bank, will begin participation in FRM in January 2016. In addition to being an effective collection tool that allows UI to identify delinquent employers' assets, the FRM has proven to be effective at motivating delinquent employers to enter into and maintain a payment agreement.

Improved Customer Service:

- In November 2014, DWD dramatically improved online filing through its online application (IIQ) and an improved Internet Initial Claim application (ICR). Highlights of the positive impact that the UI online initial claim filing system has had over the past 12 months include:
 - Of those who start an initial claim online, the percentage of claimants who complete initial claims online increased from about 57 percent to 90 percent.
 - The percentage of claimants who start their initial claim online has also risen. As a result of these two 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.
 - 78 % of claimants who are required to search for work file their weekly claims online, in part to enter their weekly searches in work search logs that now must be provided either online or by fax or mail before claimants can collect unemployment benefits.
- The Bureaus of Benefit Operations and Tax and Accounting continued to present employer education sessions across Wisconsin. The sessions were free for small employers and offered valuable information including the employer's role in the UI process, resolving eligibility issues, and how tax rates are calculated. In total, 16 sessions were conducted in 2015.
- The UI Division partnered with the Division of Employment and Training to expand Reemployment Assistance (REA) services to three additional locations: Pewaukee, Racine and Kenosha.
- To help more UI claimants transition back to employment more quickly and meet employers' need for talent, the UI Division revised its current process of waiving work search requirements for claimants who expect recall from their employers. Claimants who expect recall by their employer within an eight-week period may seek a waiver of the weekly work search requirement. The work search waiver may be extended by a maximum of four additional weeks with recall verification from the claimant's employer. These changes took effect June 14, 2015.
- UI responded to customer trends toward online services and worked to minimize call wait

times across the week by fully implementing guaranteed call priority for claimants who file initial claims by phone or are calling with a general question after starting their claim online.

Program Integrity:

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 which is found to not meet legal requirements.

Worker Misclassification:

- The worker misclassification unit has conducted 202 investigations since the unit was established in May of 2013. Thus far, 45 of those investigations have resulted in audits by the Field Audit Section in the Bureau of Tax and Accounting.
- The 45 audits yielded 671 workers reclassified as employees and \$411,611 in UI tax, interest and penalties assessed.

Work Search Audits and Savings:

- Since Automated Work Search was implemented in August, 2015, 7,393 weeks of payment have been denied. Assuming these weeks were otherwise payable, this prevented an estimated \$1,977,628 in improper payments.
- Since Certified Work Search was implemented (September, 2014), 2,839 weeks of payment have been denied either for an incomplete online log submitted or for responding "NO" to the online work search question after starting the online log. Assuming these weeks were otherwise payable, this prevented an estimated \$759,433 in improper payments.

ID Theft:

- The chart below provides information on the number of fraudulent accounts. Assuming 26 weeks had been paid out for the claims established in 2015, total savings is \$544,558.

Year of Online Portal Account Create Date	Number of Fraudulent Accounts	Fraud Paid (Dollars)	Potential Loss (Dollars)	Fraud Prevented (Dollars)	Potential Loss From Claims Established (Dollars)	Total Saving From Claims Established (Dollars)
2015	263	710	1,846,260	1,845,550	545,268	544,558

Fictitious Employers:

- In 2014 and 2015, the UI Division prosecuted several individuals in a case involving several fictitious employers. Had the scheme not been detected, the loss to the Trust Fund would have exceeded \$490,000.

- In 2015, UI investigated at least four fictitious employer scams which, had the UI Division not been able to detect, would have resulted in a loss to the Trust Fund of over \$120,000.

Increased UI Fraud Referrals:

- In 2015, the UI Division increased the number of prosecution referrals to the Department of Justice for UI fraud from 6 in 2014 to 36 in 2015 and an additional 73 cases were referred to local district attorneys.

Crossmatches:

Fraud Overpayment Detection Amounts and Decisions by Source

Detection Method	YTD Oct 2015 Amount	YTD Oct 2015 Decisions
Wage Record Crossmatch	\$5,398,039.00	2,969
Post Verification of Wages	\$396,759.00	249
Liabe Employer Protests Benefit Charges	\$1,403,767.00	1,201
Tips and Leads from Other than Liabe Employer	\$336,889.00	261
State New Hire Crossmatch	\$789,325.00	1,108
National New Hire Crossmatch	\$93,671.00	66
Quality Control	\$41,143.00	24
Reversals	\$57.00	2
Inmate Crossmatch	\$16,026.00	23
Appriss Inmate Crossmatch	\$153,276.00	301
Field Audit Discoveries	\$44,206.00	13
Interstate Crossmatch	\$75,093.00	25
Agency Detection - Not Covered by Other Codes	\$2,975,570.00	1,949
Claimant Initiated	\$200,319.00	139
Federal Wage Crossmatch	\$3,862.00	4
Sum:	\$11,928,002.00	8,334

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.

2015 Highlights

- Four 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%.
- From January 1 to November 17, 2015, the Bureau of Legal Services staff resolved 4,128 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.
- From January 1, 2015 to October 31, 2015, 139 initial Alternative Dispute Resolution cases were addressed. Of those, 121 cases were resolved without a formal hearing.
- The average time to schedule hearings on ready cases is about 45 days, down from nearly 200 days in 2007, which saves time for all parties and reduces costs.
- Just over 28,254 fax batches have been electronically processed by the Bureau of Claims Management Services staff out of the Kofax Fax Importation application. Prior to April 4, 2011 these batches would have been processed on paper. They are now processed electronically, which is quicker and more efficient.
- Law changes were enacted and implemented by the Department that substantially strengthen the long-term solvency of the Work Injury Supplemental Benefit Fund and the Uninsured Employers Fund, ensuring the financial viability of both funds.

Equal Rights Division (ERD)

Mission

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

2015 Highlights

- Administrative Law Judge Mediators continue to have an excellent success rate of more than 70 percent of the more than 200 mediations completed annually. Mediation helps prevent the need for costly litigation for all parties.
- 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. The Division has increased the number of presentations by 46% and the number of individuals reached by 48%.
- 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 20% to 11% since November 2014. 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.

Administrative Services Division (ASD)

Mission

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

2015 Highlights

- Successfully prepared for and implemented STAR Release 1, Financials and Supply Chain Management (FSCM), on October 1, 2015.
- Coordinated, facilitated, implemented and tracked STAR training efforts for all Department employees for STAR Release 1 and Release 2.
- ASD Staff in the Finance, Procurement, Human Resources, Payroll, Information Technology, Budget and Business Intelligence areas were instrumental in meeting STAR deliverables including communications, role mapping, conversions, validation, end-to-end testing, and all deployment phases for Release 1, with Release 2 scheduled for December 2015. All financial transactions, including payment vouchers, travel expenses, procurement card expenditures, payroll expenses, cash deposits and accounts receivable are being processed through STAR.

Administrator's Office:

Web Team:

- Developed a multitude of marketing materials for various DWD programs and initiatives. The web, print and video assets continue to support and advance the DWD brand.
- Deployed Google Analytics in an effort to provide more accurate web usage data to our various customers within the Department. This led to redesigns of the DWD Bulletin and Workforce Watch newsletter to fully utilize the advanced data.

Office of Procurement:

- Assisted with the Labor and Industry Review Commission's transition from DWD to DOA as an administratively attached agency.
- Conducted a successful and modern approach to the Governor's Records Information Month (RIM).

Health, Safety and Wellness:

- In cooperation with WI State Capitol Police, sponsored 12 Safety in the Workplace – Active Shooter sessions in eight cities, reaching 528 people.

Incident Command:

- Developed a functioning Continuity of Operations Plan (COOP), where DWD employees have entered in essential equipment and records.

Bureau of Information Technology:

- DWD is engaged with the DOA's Division of Enterprise Technology and is on track to complete the elements of IT consolidation by December 2015.
- Implemented a completely new look to the Job Center of Wisconsin (JCW) website includes a responsive design for mobile devices, skills matching functionality, providing skills selection for resume builders, expedited job posting for employers and other features.
- Implemented the first ADFS (single sign-on) instance to streamline the process to set up a DWD account and login.

Bureau of General Services:

- Provided facilities services for the Elkhorn and Eau Claire Vocational Rehabilitation offices.
- Assisted with the development of RFPs for division offices currently located in Milwaukee.

Bureau of Human Resource Services:

- Filled 368 permanent and project positions to help DWD consistently fulfill its mission and vision.
- Developed and implemented an Aspiring Leaders Training program at DWD. The program consists of 8 full-day sessions over the course of a year. Twenty-five employees were in the inaugural program, setting a foundation for future leadership in the agency.
- Offered 201 different training courses, attended by 3,412 staff, as part of DWD's commitment to continuing education and professional development.
- Applied lean government techniques to document Family Medical Leave Act process in DWD.
- Expanded the use of Web-Ex for remote learning and Articulate for the development of online training programs, supporting additional opportunities for professional development in a cost-effective manner.

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