

# WISCONSIN FAST FORWARD

## HOW SKILLS TRAINING IS WORKING AND EXTENDING THE OPPORTUNITY TO LOW-WAGE WORKERS

### INTRODUCTION

In 2013, Wisconsin launched Fast Forward, a \$15 million state investment in demand driven worker training. By mid-December 2014, the Wisconsin Fast Forward (WFF) worker training program planned to distribute approximately \$10.4 million in worker training grants and was preparing to announce additional grants for the remaining nearly \$3.6 million.

Fast Forward is an unprecedented investment in Wisconsin and skills. The program marks the first time the state has committed its own money (“general purpose revenue”) to a designated workforce training program.<sup>1</sup> It is an exciting step forward to build the skills that both workers and employers need in this state. Direct employer engagement in all stages of the WFF process helps ensure the relevance of the skills training delivered.

With this brief, we seek to offer some assessment of WFF’s experience to date, to identify ways that it meets its critical goals, and to propose relevant areas for refinement and other improvement of practice and policy. We will pay special attention to the way this program fits into the broader policy and program context for skills in the state. The sustainability and system impact of these investments will be amplified by steps that ensure WFF is integrated into the state’s skills ecosystem, rather than a stand-alone program outside of it. This is especially important given the dynamic policy environment signaled by the federal Workforce Innovation and Opportunity Act (WIOA) that was recently signed into law.<sup>2</sup> WIOA promotes best practices in workforce

<sup>1</sup> Up until this investment, the state Department of Workforce Development directed and oversaw federal resources focused on training and workforce development. But Fast Forward marks the first commitment of state revenue investments in workforce development housed at DWD.

<sup>2</sup> The Workforce Innovation and Opportunity Act (WIOA) is the successor to the Workforce Investment Act, reauthorized by Congress in July 2014. WIOA will be in effect from 2015 to 2020. It promotes best practices in workforce development and provides governors with a 15 percent discretionary fund for reserve activities. Source: National Skills Coalition, “Realizing Innovation and Opportunity in WIOA: A Playbook for Creating Effective State Plans”, November 2014 and National Association of Workforce Boards, “The Workforce Innovation and Opportunity Act: Driving Innovation, Collaboration, and Performance”, [http://www.nawb.org/documents/Publications/WIOA\\_Overview.pdf](http://www.nawb.org/documents/Publications/WIOA_Overview.pdf)

### ABOUT COWS

COWS (Center on Wisconsin Strategy) is a nonprofit think-and-do tank, based at the University of Wisconsin-Madison, that promotes “high road” solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. Through our various projects, we work with cities around the country to promote innovation and the implementation of high road policy. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

### ACKNOWLEDGEMENTS

COWS is grateful to the Working Poor Families Project for financial and intellectual resources which support this project.

### AUTHORS

Samira Salem, Laura Dresser, and Michele Mackey

**COWS**  
BUILDING THE  
HIGH ROAD

development and presents opportunities for extending a strengthened WFF as well.

## WANTED: SKILLED WISCONSIN WORKERS FOR QUALITY JOBS

Even as employers lament the lack of workers with the skills they need, workers struggle to find jobs at wages that support their families. WFF focuses on this disconnect, helping build a stronger bridge – skills – to link employers and workers. This bridge can improve outcomes for specific employers and workers. But perhaps more importantly, it can support the transformation of the Wisconsin economy to a future with systems of training that are responsive to employer needs and accessible to workers who need these skills.

From the perspective of workers, especially low-wage workers, skills are essential. Nearly one in three working families in Wisconsin are low-income, with income below two times the poverty threshold (Table 1).<sup>3</sup> This data, from the Working Poor Family Project, helps paint a picture of the struggles working families in Wisconsin face. There has been continued increase in the number of at risk Wisconsin families while the national percentage of at risk families has held steady. At these low levels of income, hardworking families struggle to pay bills and balance rising costs on meager paychecks. This insecurity exists despite the fact that Wisconsin workers show considerable commitment to work at a rate slightly higher than the national average (in WI 73 percent of low-income families work and 7 percent hold multiple jobs compared to 72 percent and 5 percent nationwide, based on 2012 data).<sup>4</sup> Despite strong commitment to work, one-in-four working families struggle to make ends meet.

Education, skills, and training can be an

Table 1

### PERCENT OF LOW-INCOME WISCONSIN WORKING FAMILIES THAT ARE BELOW 200% OF THE POVERTY LEVEL

Total	179,873
Percent of WI Families	29.9%
White/Non-Hispanic	22.3%
All Minorities	61.0%
Black	63.8%
Other/Two or More Races	39.8%
Hispanic	71.6%

Source: Working Poor Families Project, data generated by Population Reference Bureau from the American Community Survey

### Best Practices: Industry Partnerships and Career Pathways

The following is excerpted from COWS' 2013 report examining Wisconsin's experience with Industry Partnerships.

Industry Partnerships: "Industry partnerships are formed at the regional level to ensure that employers in key industry sectors can connect to employees with the skills they need to grow. The skills they need can be developed in job seekers and workers already at the firm as they receive the training they need to secure and/or retain family supporting jobs. Industry partnerships match industry leadership with support from multiple partners: industry and trade associations, educational institutions, training providers, economic development groups, community-based organizations, local government agencies, and philanthropic foundations. The result of this linkage is stronger skills for workers that are developed in ways that employers need."

Career Pathways: "Career Pathways help build a stronger bridge from work to training and back into higher skilled work, with the attainment of industry-recognized credentials and credits toward technical college and degrees. Career pathways are the route to skills employers need in the workforce."

COWS, *Employers Take the Lead: A Report on Wisconsin's Industry Partnership Project*, June 2013, 3.

<sup>3</sup> Working Poor Families Project (WFPF), data generated by Population Reference Bureau from the American Community Survey.

<sup>4</sup> Ibid. WFPF, "WFPF State Data Snapshot: Wisconsin," and COWS, "Wisconsin Jobs and Low-Income Working Families."

important route to economic security. One third of Wisconsin's adult labor force – nearly 900,000 workers – could use education and training as a route to access better jobs. These are workers who have completed no degree past the high school degree. Expanded postsecondary education and training is critical to help them transition to better paying higher skill jobs. According to the National Skills Coalition, key industries in Wisconsin face a middle-skill gap (jobs that do not require four-year college degrees, but do require substantial post-secondary training like associates degrees and apprenticeship). While 56 percent of jobs in Wisconsin are middle-skill only 49 percent of Wisconsin workers are trained to this level. Projections through 2020 suggest that demand for middle-skill workers will remain high. State policy can be used to help target training to low-wage workers and allow them to move into high-demand, middle-skill, and better paying jobs.

Building workers' skills in ways that respond directly to employer demand creates a path of opportunity and competitiveness for Wisconsin. Wisconsin Fast Forward helps pave this path today and with greater attention could more consciously do so. And it is a path that other systems and innovations in the state are helping to pave as well. Wisconsin's work in industry partnerships and career pathways (see text box right) has also provided infrastructure

for opportunity and demand driven skills in the state. Cross-program collaboration and rigorous performance measurement, which increase efficiency, minimize duplication of efforts, and bolster accountability, will help provide key elements of an effective workforce development system. As we move toward greater skills for Wisconsin – for businesses and workers in the state – our approach should come together in a sustainable and strategic approach that crosses program funding structures and develops a truly integrated infrastructure for talent development.

WIOA provides impetus to begin thinking about the broader system and for skills in Wisconsin. It will help focus the system on advancing low-wage workers' skills, career pathways and bridges, and aligning education and training with employers' needs. WFF is part of our system of skills training and can be more consciously connected to ongoing and emerging resources like WIOA to strengthen the delivery of skills in the state.

## WFF PROGRAM DESCRIPTION, DESIGN, AND SUMMARY OF GRANT AWARDS

The Wisconsin Fast Forward worker training grant program is intended to be an agile, demand-driven, and employer-focused initiative to meet documented skill needs not being met by other training programs. Wisconsin's Act 9 established the WFF worker training grants program, which appropriates \$15 million in

### WFF Guiding Principles

**Demand-driven:** Grants are awarded in response to a documented labor need of an employer that is not being met by existing programs.

**Sector-specific:** The Office of Skills Development (OSD) uses labor market data and inquiries from Wisconsin businesses to identify which industry sectors have worker and skill needs and/or projected employment growth. This information drives the development of the Grant Program Announcements (GPAs).

**Data-supported:** Grant decisions are influenced by current and projected labor market information.

**Collaboration-based:** WFF encourages businesses to collaborate with workforce development boards, economic development organizations, education providers, state agencies or business associations.

**Transparent and accountable:** Department of Workforce Development (DWD) and OSD will ensure a grant process characterized by a high degree of transparency and accountability.

**Sustainable and replicable:** WFF aims to build training capacity for the future. As such, it encourages the development of sustainable training models that can be replicated.

*Source: DWD, Wisconsin Fast Forward Annual Report, December 2013.*

general purpose revenue (GPR) for Fiscal Years 2013-2015. The program's goal is to deliver short- and medium-term customized workforce-training programs to local unemployed or underemployed job seekers and incumbent workers. Qualifying grant proposals must demonstrate an unmet need for training and use current and projected Labor Market Information to support their proposed training.

WFF has a set of guiding principles (see text box below) that define the program's approach. In addition, the Office of Skills Development (OSD) established WFF's Administrative Rules that govern the competitive grant process. OSD also awards grants, monitors grant outcomes, assesses program goals, and is responsible for identifying funding priorities.

According to WFF's Administrative Rules, a wide variety of applicants are eligible to apply to the competitive grant program, including: public agencies; an individual business; a consortium of business(es) and/or non-business partners; or a tribal governing body.<sup>5</sup> Grants range from a minimum of \$4,000 to a maximum of \$400,000. In order to access these grants, prospective grantees must respond to a Grant Program Announcement (GPA), which identifies eligible sectors, grant requirements, and the application process. Besides completing the application, grantees are expected to work with training partners to design as well as coordinate curriculum and training delivery, hire training program graduates, increase the wages for incumbent workers, submit quarterly progress reports and a final report to OSD, and provide a grant match.

OSD expanded WFF to include the Blueprint for Prosperity grant. This funding sought to strengthen school-to-work programs, reduce technical college waiting lists for high-demand occupations, and increase training assistance for veterans and workers with disabilities. Assessment of the Blueprint for Prosperity funding program is outside the scope of this brief. Rather, we focus on WFF's sector-specific grants targeting employer's immediate skill needs through the delivery of demand-driven training to adult workers.<sup>6</sup>

Table 2

### ROUND 1 SECTOR, SET ASIDE, TOTAL INTENT TO AWARD, AND CONTRACTED TOTAL

Sector	Total Set Aside	Total Intent to Award	Contracted Total
Construction	\$300,000	\$122,667	
Customer service	\$1,000,000	\$590,638	
Small manufacturing	\$400,000	\$43,180	
Large manufacturing	\$1,000,000	\$1,848,458	
Total	\$2,700,000	\$2,604,943	\$2,599,158

Source: DWD/OSD, "Wisconsin Fast Forward 2013 Quarter 4 Release Summary," [http://wisconsinfastforward.com/pdf/awards\\_summary\\_rd\\_01.pdf](http://wisconsinfastforward.com/pdf/awards_summary_rd_01.pdf) and DWD, "Wisconsin Workforce Investment Act: Annual Report Program Year 13," July 1, 2013-June 30, 2014.

Table 3

### ROUND 2 SECTOR, SET ASIDE, TOTAL INTENT TO AWARD, AND CONTRACTED TOTAL

Sector	Total Set Aside	Total Intent to Award	Contracted Total
Small business	\$500,000	\$104,268	
IT	\$1,500,000	\$448,652	
Healthcare	\$2,000,000	\$355,609	
Manufacturing	\$1,000,000	\$1,545,849	
Construction	\$500,000	\$295,848	
Transportation	\$1,000,000	\$619,503	
Financial services	\$1,000,000	\$59,276	
Total	\$7,500,000	\$3,429,005	\$3,374,041

Source: DWD, Wisconsin Fast Forward Round 2: Small Business, Information Technology, Healthcare GPA Award; DWD, Wisconsin Fast Forward Round 2: Manufacturing GPA Award Summary, DWD, Wisconsin Fast Forward Round 2: Construction, Transportation, and Financial Services GPA Award, and DWD, Wisconsin Workforce Investment Act Annual Report, July 1, 2013-June 30, 2014.

<sup>5</sup> Wisconsin State Legislature, "Chapter DWD 801.04-05."

<sup>6</sup> For further details on Blueprint for Prosperity grant awards, see "Wisconsin Department of Workforce Development, 2014 Annual Report." December 29, 2014, 6, [http://dwd.wisconsin.gov/dwd/pdf/annual\\_report\\_2014.pdf](http://dwd.wisconsin.gov/dwd/pdf/annual_report_2014.pdf)

## SUMMARY OF GRANT AWARDS

By the end of 2014, WFF planned to distribute approximately \$12.5 million to 145 projects.<sup>7</sup> According to the Wisconsin Department of Workforce Development (DWD), the total number of proposed beneficiary private sector firms is over 260 and the total number of proposed trainees is nearly 13,800.<sup>8</sup>

The GPA for Round 1 allocated \$2.7 million for grants in the following four sectors: Construction, Customer Service, Small Manufacturing, and Large Manufacturing (see Table 2).<sup>9</sup> There were 32 grants awarded in Round 1 and a total of nearly \$2.6 million has been contracted (see Table 2) to help 78 businesses train more than 2,200 trainees. Approximately 17 (53 percent) of Round 1 grants were awarded to individual firms.<sup>10</sup> Around eleven grants went to consortia that had multiple business partners and were led by intermediaries, technical colleges, or industry associations; and the remaining grants were awarded to an intermediary-led consortium with a single business partner.<sup>11</sup> DWD's Round 1 grant summary report also shows that Workforce Development Boards partnered with 17 grant applications; nearly half of the grantees partnered with a technical college to provide training;<sup>12</sup> and only one Round 1 grantee proposed to provide training that provides successful trainees with certification.<sup>13</sup>

The GPA for Round 2 allocated \$7.5 million for grants in the following seven sectors: Small Business, Internet Technology, Healthcare, Manufacturing, Construction, Transportation, and Financial Services. WFF awarded 47 grants in Round 2 and a total of \$3.4 million has been contracted (see Table 3).<sup>14</sup> Approximately, 107 businesses are being served by these grants and there are over 4,700 proposed trainees.<sup>15</sup> WFF grant summaries show that 34 (72 percent) of the Round 2 grants went to single firms; approximately eleven grants were awarded to multi-firm consortia led by either businesses, intermediaries, or a tribal governing body; and the remainder of the grants went to intermediary-led consortia with single firm partners.<sup>16</sup>

*Table 4*  
**ROUND 3 SECTOR, SET ASIDE, TOTAL INTENT TO AWARD**

Sector	Total Set Aside	Total Intent to Award
Manufacturing		\$3,217,191
Transportation		\$619,891
Construction		\$148,516
Small Business		\$307,333
Customer Service		\$123,619
Health Care		\$1,069,830
Financial Services		\$376,471
Information Technology		\$317,475
Agriculture		\$291,679
Total	\$8,000,000	\$6,472,005

Source: DWD; Wisconsin Fast Forward Round 3: Manufacturing, Construction, and Transportation Awards Overview; DWD, Wisconsin Fast Forward Round 3: Small Business and Customer Service Awards Overview; DWD, Wisconsin Fast Forward Round 3: Information Technology, Financial Services, Health Care and Agriculture Awards Overview and DWD, Annual Report 2014.

Note: Grant contracting for Round 3 awards began January 2015. DWD, "Annual Report 2014."

<sup>7</sup> Ibid.

<sup>8</sup> "News Release: DWD Secretary Newson Announces Intent to Award \$430,952 in Wisconsin Fast Forward Grants to Train 226 Workers," [http://dwd.wisconsin.gov/dwd/newsreleases/2014/141218\\_WFF\\_intent\\_award.htm](http://dwd.wisconsin.gov/dwd/newsreleases/2014/141218_WFF_intent_award.htm)

<sup>9</sup> DWD, "Wisconsin Fast Forward Annual Report," December 2013.

<sup>10</sup> DWD/OSD, "Wisconsin Fast Forward 2013 Quarter 4 Release Summary," [http://wisconsinfastforward.com/pdf/awards\\_summary\\_rd\\_01.pdf](http://wisconsinfastforward.com/pdf/awards_summary_rd_01.pdf)

<sup>11</sup> Ibid. It is noteworthy that technical colleges led only two of these multi-firm consortia and only consortium one was awarded to a Workforce Development Board.

<sup>12</sup> Ibid.

<sup>13</sup> The GPAs and the WFF Project Planning Guide instruct grantees to consider providing certificates of proficiency or industry-recognized credentials to all trainees that successfully complete training and demonstrate the required competency. So there may be additional grants that provide workers with either credit, certificates of proficiency, or industry-recognized credentials, but available data does not provide any clarity on this.

<sup>14</sup> Interestingly, the value of grants awarded represented 45 percent of the total amount allocated for Round 2. The reason for the large discrepancy between available funding and the amount awarded is not clear.

<sup>15</sup> DWD/OSD, "Wisconsin Fast Forward Round 2: Small Business, Information Technology, Healthcare Award Summary," [http://wisconsinfastforward.com/pdf/round\\_2\\_it\\_healthcare\\_smallbusiness\\_summary.pdf](http://wisconsinfastforward.com/pdf/round_2_it_healthcare_smallbusiness_summary.pdf), and DWD/OSD, "Wisconsin Fast Forward Round 2: Manufacturing GPA Award Summary," [http://wisconsinfastforward.com/pdf/round\\_2\\_manufacturing\\_award\\_summary.pdf](http://wisconsinfastforward.com/pdf/round_2_manufacturing_award_summary.pdf) and DWD/OSD, "Wisconsin Fast Forward Round 2: Construction, Transportation, and Financial Services GPA Award," [http://wisconsinfastforward.com/pdf/round\\_2\\_cfst\\_summary.pdf](http://wisconsinfastforward.com/pdf/round_2_cfst_summary.pdf)

<sup>16</sup> Ibid.

While a Workforce Development Board (WDB) led only one multi-firm consortium, WDBs partnered with five Round 2 grants.<sup>17</sup> The grant summaries further reveal that one grantee in Round 2 proposed to provide successful trainees with certification and another grantee proposed training for 13 trainees that will result in them obtaining industry-recognized licenses.<sup>18,19</sup> A third grant led by a WDB offered its business partners the opportunity to select credit or non-credit training courses for their workers. Approximately half of the businesses opted for the credit courses.<sup>20</sup>

In July 2014, OSD released the Round 3 GPA, which allocated \$8 million over nine sectors, including: Manufacturing Occupations; Construction and Related Occupations; Transportation, Logistics, and Distribution Occupations; Financial Services Occupations; Information Technology Occupations; Customer Service Occupations; Wisconsin Small Businesses Occupations; Healthcare and Related Occupations; and Agriculture and Related Occupations.<sup>21</sup> By mid-December 2014, DWD announced its intent to award just over \$6.4 million dollars to help 114 employers in the Manufacturing, Transportation, Construction, Small Business and Customer Service sectors train 6,826 workers (see Table 4).<sup>22</sup>

The WFF Round 3 grant summaries show that so far the overwhelming majority of grants (nearly 80 percent) have gone to single firms as opposed to a multi-firm consortium; one of the multi-firm consortium grants was led by a WDB; and technical colleges partnered with around 34 percent of the grants.<sup>23</sup> The number of grants going to single firms has consistently increased over the three rounds. Further, one grant proposed to provide successful trainees with course credit that is transferable within the Wisconsin Technical College System; and four grants proposed to provide industry-recognized certifications to trainees.<sup>24</sup>

It is important to note that the WFF GPAs and grant summary reports represent the best available data summarizing WFF's grant activities, and provide only proposed cost and workers trained. There is no available data on employer matching requirements or their commitments to hire and/or increase trainees' wages. The data gleaned from the various award summaries also failed to provide sufficient detail and/or consistent information on the proposed projects, such as, the work status of the proposed trainees; the business's specific commitments to hire unemployed or raise incumbent workers' wages; whether proposed training will provide workers with credit or industry-recognized credentials; the amount of employer match funding; and the role of the various partners (e.g., lead consortium partner/applicant, trainer, etc.).

## REALIZING WFF'S GUIDING PRINCIPLES

WFF's guiding principles (see text box page 3) represent important aims for the project. These principles are significant from both a policy and legislative perspective and also offer a statement of best practice design for

17 DWD/OSD, "Wisconsin Fast Forward Round 2: Small Business, Information Technology, Healthcare Award," and DWD/OSD, "Wisconsin Fast Forward Round 2: Manufacturing Award Summary," and DWD/OSD, "Wisconsin Fast Forward Round 2: Construction, Transportation, and Financial Services Award."

18 Similar to Round 1, there may be additional grants that provide workers with either credit, certificates of proficiency or industry-recognized credentials, but available data does not provide any clarity on this.

19 Author's analysis of DWD/OSD data. DWD/OSD, "Wisconsin Fast Forward Round 2: Small Business, Information Technology, Healthcare Award," and DWD/OSD, "Wisconsin Fast Forward Round 2: Manufacturing Award Summary," and DWD/OSD, "Wisconsin Fast Forward Round 2: Construction, Transportation, and Financial Services Award."

20 Grantee interview, December 18, 2014.

21 DWD, "DWD Secretary Announces New Round of Wisconsin Fast Forward Grants," News Release, July 30, 2014, [http://dwd.wisconsin.gov/dwd/newsreleases/2014/140730\\_wff\\_round\\_3.htm](http://dwd.wisconsin.gov/dwd/newsreleases/2014/140730_wff_round_3.htm)

22 DWD, "DWD Secretary Announces Intent to Award \$430,952 in Wisconsin Fast Forward Grants," News Release, December 18, 2014, [http://dwd.wisconsin.gov/dwd/newsreleases/2014/141218\\_WFF\\_intent\\_award.htm](http://dwd.wisconsin.gov/dwd/newsreleases/2014/141218_WFF_intent_award.htm)

23 DWD/OSD, "Wisconsin Fast Forward Round 3: Manufacturing Award Summary," [http://wisconsinfastforward.com/pdf/round\\_3\\_manufacturing\\_award\\_summary.pdf](http://wisconsinfastforward.com/pdf/round_3_manufacturing_award_summary.pdf); DWD/OSD, "Wisconsin Fast Forward Round 3: Small Business and Customer Service Award Summary,"

[http://wisconsinfastforward.com/pdf/round\\_3\\_sb\\_and\\_cs\\_award\\_summary.pdf](http://wisconsinfastforward.com/pdf/round_3_sb_and_cs_award_summary.pdf)

24 Ibid.

workforce development. Here, we assess the degree to which WFF connects with these guiding principles. We also offer some thoughts on ways to more fully realize these priorities in WFF practice in the future.

## DEMAND DRIVEN, NIMBLE, FLEXIBLE, AND DEMONSTRATED EMPLOYER COMMITMENT

WFF's demand-driven and employer-focused approach helps ensure that training relates directly to employer needs. This is critical to ensure that the system secures relevant and applicable skills. The program design requires business engagement and training that responds to employer needs.

WFF was also designed to be nimble and flexible and WFF practice demonstrates these design principles. Indeed, WFF has held three competitive grant funding rounds since November 2013 and has either awarded or allocated nearly the entire \$15 million worker training grant fund. Further, it offers flexibility regarding the type of training allowed, ensuring that the program is responsive to employers' needs.

Permitting the use of WFF funds for incumbent worker training is especially noteworthy. This compliments and usefully diverges from WIA training practice that is generally not directed toward incumbents. Some workforce observers point out that there is an indirect benefit to training incumbent workers; it helps them move up in their companies, opening up opportunities for lower-skilled workers. Another potential program strength is that WFF requires employers to demonstrate evidence of their commitment through matching requirements and commitments to hire and/or increase trainees' wages. Ensuring that such data is consistently collected and reported can help realize this potential strength.

### WFF and WDB-Led Grants: Strengthening Sector Strategies

The grant awarded to the Wisconsin North Central Workforce Development Board (NCWWDB) and its partner the Central Wisconsin Metal Manufacturers' Alliance represents WFF at its best. According to NCWWDB's Executive Director, Rene Daniels, the WFF grant provided NCWWDB a tool to spark sector development. In particular, the 45 member Metal Manufacturers' Alliance was in its infancy when NCWWDB approached it about the WFF grant opportunity. NCWWDB started with an Alliance focus group to determine what kind of training was needed and then the focus group partnered with Northcentral Technical College to design the training. Eventually, 15 Alliance members partnered with NCWWDB and the Northcentral Technical College to put forward a successful grant application to train 140 incumbent workers in the target occupations of welders, cutters, operators, tenders, soldering, press machine operators, and structural metal fabricators.

According to Rene Daniels, the NCWWDB-led process of identifying training needs, working with the members to determine the best training options and resources, identifying unemployed workers to train, managing the training program and supporting compliance with the reporting requirements helped strengthen this nascent regional industry alliance. The average post-training wage, excluding benefits, of the workers who received this training increased from a pre-training average of \$18.15 to an average of \$19.00 an hour up. Employers participating in the program signed a letter committing to provide an average 5% wage increase for those who complete the training. To date five companies have completed the training, with three more in process. The remaining companies' trainings will be scheduled over the next six months. With a focus on program sustainability NCWWDB has planned for the future building a sector coalition and developing a "train the trainer" model to ensure the programs continued success.

*Source: Interview with Rene Daniels, Executive Director North Central Workforce Development Board*

## SECTOR-SPECIFIC

Sector-specific approaches identify key, high-demand industry or regional sectors in need of workplace skills. They are channeled through industry partnerships, or at the very least, multiple employers. The benefits of this approach are that it: 1) ensures relevance and portability of skills by targeting the needs of multiple employers; 2) contributes to strengthening regional economies and the links between employers and training institutions, thereby maximizing the return on investments in worker training; and 3) supports sustainability of training programs by leveraging employer interest and resources across multiple entities.

WFF seeks to target resources towards high-demand sectors, as defined by labor market data. This sector specificity relates well to ongoing sector focused work in both economic and workforce development around the state. However, the target for high-demand sectors has shifted from one round of grants to another. The number of grant eligible sectors has steadily increased from four sectors in Round 1 to seven sectors in Round 2 and nine sectors by Round 3. Further, WFF's GPAs for Rounds 1 and 2 included information on funding allocated by sector, but the GPA for Round 3 did not. It is not clear why this information was not included in the Round 3 GPA. In the absence of information regarding the change, it is possible to interpret increasing fungibility of grant funds across even more industry sectors as a deviation from the program's strategic, data-driven, and sectorial focus.

There is likely an inevitable tension between a focus simply on "employer responsiveness" (which then could respond to any employer) and sector focus (which could cut out, on the basis of sector, employers who are very interested in participating in the program). The increase in sectors over time may partly reflect this dynamic, with intent to spread resources to where employers were engaged. However, it is important to retain the sector focus for a number of reasons. First, a focus on specific sectors can help secure and align with Wisconsin's economic development goals, and help build a stronger economic future for the state. As the program becomes less targeted the economic development impact becomes more diffuse as well. Similarly, the chance that WFF resources will be used in concert with other public economic development, workforce, and training resources diminishes, as does the probability of connecting to a systematic and sustainable approach. We return to this theme in much greater detail in our recommendations.

Nevertheless, WFF's design has proven sufficiently flexible to allow for high levels of employer engagement within demonstrated high demand industries. One grantee credits WFF with being a tool for sector development (see text box right). This is a welcome resource because a strengthened industry alliance is an indicator of sustainability, a prerequisite to enhanced industry competitiveness, and a means of achieving portability of skills.

Unfortunately, the experience of this grantee represents the exception rather than the WFF rule. To better secure program sustainability and job quality for trainees – which are important policy outcomes for any training program -- WFF design in future rounds will need to better navigate the tension between employer engagement and a targeted sector-specific approach.

Some design improvements include:

- OSD should clarify the criteria used to identify target sectors and apply it consistently throughout the life of the grant program. Suggested criteria include employment opportunities, wage levels, and economic impact of the industry.
- Amend WFF's Administrative Rules, GPAs, and application instructions so that evaluation criteria privilege a sector-based strategy, clearly incentivizing multi-firm consortia and intermediary-led multi-firm consortia. That is, all things equal, multi-firm consortia should rank higher than single firm applications.

## DATA-SUPPORTED

A central WFF principle is to be a data-supported initiative.<sup>25</sup> Indeed, OSD and its strategic partners analyze labor market information and input from Wisconsin businesses in order to identify skill gaps, training needs, and sector targets. Further, grant applicants are required to make a clear case of their skills need and clarify how it is not being met.<sup>26</sup> Indeed, one criterion used to evaluate grant applications is demonstrated project need.<sup>27</sup>

While data-supported decision-making is a declared priority under WFF, there is room for improvement in application of this principle. For example, there was little information provided regarding the rationale for expanding the number of sectors from round to round (discussed above) other than to say that it was in response to industry demand.<sup>28</sup> We should expect that employers will be interested in this opportunity to secure training for their workers and to improve competitive position. It is important, however, to balance that interest against the state's own priorities in distribution of this limited resource.

The input gathered from Wisconsin businesses through the business inquiry process is, according to OSD, an important factor in the determination of WFF's sector focus. However, a summary of the input gathered is not publicly available. This is another instance where transparency around this information could help make WFF's sector priorities and changes in them more transparent.

## COLLABORATION-BASED

The principle document states the priority of collaboration as well: "WFF encourages businesses to collaborate with workforce development boards, economic development organizations, education providers, state agencies or business associations." Collaboration is one of the means that allows WFF to leverage and connect with other public investments in skills.

Discussions in the field suggest that collaboration may have been hampered, however, by the lack of clear and consistent communication on key aspects of the grant structure and partnerships. For example, grant applicant eligibility and possible roles of consortium partners (e.g., who may apply, who may lead a consortium) were not always clear in the field and some suggested that this flexibility had evolved over time. While WFF documents like the Administrative Rules and WFF's *Project Planning Guide* provides guidance on applicant eligibility,<sup>29</sup> cases exist where there was confusion as to which partners were eligible to lead the consortium.<sup>30</sup> This lack of clarity likely impacted the number and range of partners, giving rise to some noted inconsistencies.<sup>31</sup> All potential partners could benefit from more consistent messaging on eligibility requirements and possible partner roles.

Also, the WFF's principles encourage grantee collaboration with a host of workforce development stakeholders but there is no requirement to do so. Collaboration can help make sure that WFF leverages and connects with the broader system of skills. Perhaps especially important would be for firms to connect with technical colleges and with career pathway bridge programs that are blossoming across the state.

Collaboration also helps address concerns about business access. While grantees have reported that employers have provided enormously positive feedback about WFF, complaints have arisen in response to the resources required to apply for a WFF grant and to comply with reporting requirements. One grantee noted that the

<sup>25</sup> DWD, "Wisconsin Fast Forward: Annual Report," December 2013.

<sup>26</sup> DWD/OSD, "WFF Project Planning Guide," July 2014.

<sup>27</sup> DWD/OSD, "WFF Project Planning Guide," July 2014, and OSD, "GPA #FF143BS1," July 2014.

<sup>28</sup> Jansen, Scott, "OSD Announces \$75 million in Grant Program Announcements," DWD OSD Newsletter, February 2014.

<sup>29</sup> DWD/OSD, "WFF Project Planning Guide," July 2014, and OSD, "GPA #FF143BS1," July 2014.

<sup>30</sup> WFF observer/workforce development professional interview, 12.11.2014.

<sup>31</sup> *Ibid.*

resource-intensive application process is “a problem with the model,”<sup>32</sup> noting that completing the application required five staff people between 50-60 hours each. Other observers have echoed this point.<sup>33</sup>

Given the lengthy application process and intensive grant management responsibilities only those firms with sufficient resources are likely able to access the grants. Unfortunately, these may not always be firms in high-demand sectors with the greatest need for worker training. Incentivizing collaboration among employers would allow firms with limited resources to more easily access the WFF grants.

Partnerships with WDBs, technical colleges, or other intermediaries could further help firms manage training design and grant reporting requirements, as these public sector entities have developed competency in supporting regional workforce development efforts.<sup>34</sup> They also routinely play a grant administrator/connector role bringing training providers and employers together around different funding sources. If WFF is intended to fit into the state’s skill infrastructure, greater encouragement of collaboration is warranted.

## TRANSPARENT AND ACCOUNTABLE GRANT PROCESS

Transparency and accountability of the grant process to assess and reveal program results is another critical and laudable founding principle of WFF. To date, the program has been quite transparent about funding cycles, grant priorities, and funds disbursed. However, there are clearly a number of significant steps required to improve this area. As mentioned previously, the data reported in the various grant summary reports did not provide sufficient detail or consistent information on a number of metrics.

As projects complete it is essential that outcome data and detailed award data be made available to allow for assessment of projects against proposed aims and results. WFF requires grantees to report on worker training outcomes such as the number of unemployed workers who obtain gainful employment, the number of incumbent workers who receive increased compensation, and pre- and post-training wages of incumbent workers. However, employer outcomes such as the impact to their business of the training, their satisfaction with the training, and whether there are any improvements in worker satisfaction are not specified. The measures could be stated and standardized.<sup>35</sup> The WFF Project Planning Guide does ask applicants to consider how the training will impact the participant businesses and benefit the local, regional, and state economy. Clarity, standardization, and consistent reporting on these issues could improve data as well. In addition, requiring this additional reporting would better align WFF with WIOA, given the new legislation’s focus on improved worker and employer metrics.

Observers of WFF implementation have noted that program administrators report a “rich data set of program outcomes.” Furthermore, Act 9 specifies DWD’s duties as including 1) collecting grantee information on outcomes achieved as a result of the training programs, and 2) reporting these outcomes annually to the governor and joint committee on finance.<sup>36</sup> However, to date such data has not been made publicly available.

Three rounds into the program, outcomes data on WFF have yet to be released – to date, DWD’s annual reports on WFF have summarized grant awards, not results. We hope the lack of available data relates to the limited number of training programs which have completed, and that this data will be made available as Round 1 grants

<sup>32</sup> *Ibid.*

<sup>33</sup> WFF observer/workforce development professional interview, 12.11.2014.

<sup>34</sup> Grantee interview, December 18, 2104.

<sup>35</sup> OSD requires periodic grant reporting and a final report for the purposes of “transparency and accountability,” as well as to meet statutorily mandated reporting requirements. This “evaluation” system is available to grantees via a web-based system, and may include both trainee and employer outcomes. DWD, Grant Administration Training, “Wisconsin Fast Forward: Closeout/Evaluation,” February 2015.

<sup>36</sup> State of Wisconsin, 2013 Wisconsin Act 9, March 13, 2013, <http://docs.legis.wisconsin.gov/2013/related/acts/9>, and Wisconsin State Legislature, “Chapter DWD 801.04-05.”

conclude. If proposed project and outcomes data do not become available it will raise serious questions about WFF transparency and will severely limit the ability to analyze the real impact of the program.

Data and information that would be useful for program analysis and improvement include:

- Actual as opposed to “proposed” grant award data. Most of the grant data available captures “proposed” numbers of trainees, rather than actual number of trainees. Access to actual data on the grant amount contracted, by grantee; and the number trained under the grant.
- Consistent and clearer reporting on the types of workers (e.g., unemployed, underemployed, incumbent, low-income) targeted and served by training proposals is needed to better understand who benefitted from the WFF grant. In addition, consistent reporting of the proposed trainees’ employment status pre- and post-training.
- Clarity on the numbers of grants that propose to provide course credit, industry-recognized credentials to successful trainees as well as the number of workers that succeed in obtaining these.
- Information on worker and employer satisfaction with the training and outcomes.

## SUSTAINABLE AND REPLICABLE

WFF’s guiding principles include sustainability and replicability of WFF programs. Indeed, the WFF Project Planning Guide indicates that both are a consideration in the evaluation of applications. These worthwhile goals, which some grantees did try to address with coalitions and training models (see text box page 7), could be furthered with greater focus. Currently, some worry that WFF is just a funding stream for a series of stand-alone projects, one-shot projects. As important as these responsive programs are, they do nothing to connect to or improve the underlying training system at firms or in the public sector. A greater focus on what collaboration and sustainability should look like for WFF and how it might be measured and documented is a critical focus for the future of the program. Future WFF grants should encourage sustainability planning by grantees and go beyond the existing requirement to share curriculum developed in any project.

Investments that can secure greater sustainability of this work include using WFF funds to build training for existing or emerging consortia of firms within a region. Consortia that include multiple employers, especially intermediary-led multi-firm consortia, have more system impact than training for a single firm. Economic and workforce development leaders throughout the state have been building such partnerships. Collaboration with them could help make WFF training more relevant and connected to that ongoing work. Greater connection of these training programs to existing education systems in the state, such as technical colleges, may diffuse the benefits of the public’s investment in a given Fast Forward training program beyond just the workers connected to the awarded firms.

Further, when multi-firm consortia are led by an intermediary, and that intermediary is supported by or connects to WDBs, technical college, K-12 systems and economic development agencies, then employer engagement becomes a strategy for system reform, not just a good way to build a single training program. The system focus can emerge much more naturally in this context, and sustainability follows.

However, again, there is a balancing act in this work. Privileging consortia with multiple employers and connections to WDBs and/or technical colleges almost certainly creates a more compelling set of answers around project sustainability. However, it is also clear that in some cases, systems need to become much more responsive to employer needs before such a partnership can develop. The project has, so far, emphasized flexible response but without corresponding attention to institutional ownership. While flexible options must remain part of the package, attention must also be provided to building system capacity in support of responsiveness and flexibility.

## WFF INTO THE FUTURE

Wisconsin Fast Forward is an important step in the right direction for the state. As the first workforce training grant program funded by general purpose revenue, the program is engaging employers, training workers, and building competitiveness and opportunity in the state. This impressive investment can be made stronger. Some of the directions for strength, mentioned above, are held in working to more fully realize the guiding principles of the program.

But some ways to build the project require new commitments or directions. We focus on opportunities and policy recommendations in order to build on the strengths of WFF and help connect those strengths more directly to ongoing practice and systems in the state.

Three priority policy opportunities for WFF are:

1. Strengthen WFF incentives for projects that target and develop skills of low-wage workers.
2. Link WFF to the state's impressive investment and work in Career Pathways and Career Pathway Bridges.
3. Forge stronger links between WFF and the state's ongoing workforce and skill development infrastructure.

### 1. FOCUS ON JOB QUALITY AND IMPROVING OUTCOMES FOR LOW-WAGE WORKERS

Raising skill levels and advancing the self-sufficiency of low-wage workers is a priority of publicly funded training and could become a more explicit priority of WFF.<sup>37</sup> As discussed previously, there is a tremendous need in Wisconsin to improve opportunities for the one-in-four families in the state that are struggling to make ends meet, despite their strong commitment to work. Updating and improving the skills of the current workforce—incumbent and unemployed—should be a top priority, not only for the sake of the workers, but critically for the competitive position of the state.

However, to date, WFF's focus is not on low-wage workers. The program, more focused on job expansion or unemployed workers, directs grantees to strive to employ 85 percent of unemployed and underemployed trainees that demonstrate competency, to pay them at least 200 percent of poverty level wages or \$11.05,<sup>38</sup> and to increase the pay of all incumbent trainees. However, low-wage workers are not a specified target population for WFF. Given the limited amount of state resources going toward worker training, enhanced focus and WFF support could be more ideally targeted to workers that are vulnerable and the employers that will offer them a family-sustaining quality job in a high-demand industry. There is a delicate balance here – training should help workers move up in self-sufficiency and help the state's best firms become more competitive. Training should not be focused on firms who are likely to turnover their workers because their job quality is too low. Investing in training where turnover is high is like having a furnace on when the doors and windows are wide open.

Any public funding for training can, unfortunately, displace (rather than augment) private resources for training. Indeed, many industry observers are concerned that decreasing training investment by employers that occurred during the depths of the Great Recession has not yet been reversed by improved economic performance.<sup>39</sup> In this environment it is important to target WFF funds to low-wage workers to ensure that this vulnerable group gets the training and skills to move into self-sufficiency.

<sup>37</sup> NSC, "Realizing Innovation and Opportunity in WIOA," November 2014.

<sup>38</sup> OSD, "WFF GPA for Wisconsin Small Business Occupations," GPA #FF143BS1, July 2014.

<sup>39</sup> Grantee interview, December 18, 2014.

## Policy Options:

- The WFF Administrative Rules (content of the application and evaluation criteria) could target or provide extra consideration for projects that target low-wage workers. Wisconsin's Act 9 should also indicate that low-wage workers are a target population.
- Establish a wage minimum for workers who will receive training, and target training to programs that help workers move toward higher wages and document the wages earned by workers targeted for training.
- Secure information on turnover in occupations targeted for training and in order to begin benchmarking the range of turnover in WFF target occupations.

## 2. LINK WFF TO WISCONSIN'S CAREER PATHWAYS AND CAREER PATHWAY BRIDGES

Career pathways and career pathway bridges are proven tools for efficiently moving learners along a sequence of “connected education and training that allows them to advance to higher levels of education and employment in a given industry.”<sup>40</sup> To make the WFF nimble we recognize the importance of adopting a broad definition of career pathways that includes a variety of employer-recognized credentials including credit based, trade based, or industry based certifications. But to help make WFF more systematic, continued efforts to connect with the state's technical colleges through this program will be important as well. Further, Wisconsin technical colleges are national leaders in the development of career pathways and career pathway bridges. There are tremendous resources in the state that can be linked to worker training programs to enhance their medium- and long-term impact for workers and employers. WFF may help start a relationship, but new partnerships between employers and technical college can grow from this starting point into greater impact. And the career pathway focus can help employers find ways to promote skills in their entry-level workforce as well.

WFF priorities could be enhanced by more consistently and systematically support or preference training proposals connected to established career pathways and bridges, or are developed with the intention to build a pathway. Presently, WFF program design does not mention them and there is no incentive for grantees to have a plan to connect their trainees to career pathways and/or career pathway bridges.<sup>41</sup> Given the centrality of career pathways to both the federal WIOA priorities, and the state's technical college system, integrating some career pathway focus into WFF will help create strategic alignment of workforce system in Wisconsin. WIOA promotes career pathways as a strategy to accelerate the path to postsecondary education credentials that provide job training, counseling, and support in target occupations. WFF embrace of career pathways can extend and systematize this opportunity in the state's workforce development landscape.

Further, WFF encourages, but does not require, grantees to provide training that will result in the worker obtaining industry-recognized credentials or course credit. Available data indicates that very few grantees proposed to provide credit or industry recognized credentials to successful trainees.<sup>42</sup> Providing an enhanced value proposition for workers in the form of course credit or credentials, bolsters their long-term career prospects moving them toward higher quality jobs and increased stability. This is especially important for low-income workers and is an element of career pathway bridge programs. Focusing increased attention or resources on programs that help workers move toward credentials is a way to enhance the outcomes for workers and the connection to state training systems.

<sup>40</sup> CLASP and COWS, “Building the Middle Class with Better Skills and Wages,” August 2013.

<sup>41</sup> Wisconsin State Legislature, “Chapter DWD 801.05,04-06,” and DWD, “WFF Annual Report,” December 2013.

<sup>42</sup> DWD/OSD, “Wisconsin Fast Forward 2013 Quarter 4 Release Summary,” DWD/OSD, and DWD/OSD, “Wisconsin Fast Forward Round 2: Small Business, Information Technology, Healthcare Award,” DWD/OSD, “Wisconsin Fast Forward Round 2: Manufacturing Award Summary,” and DWD/OSD, “Wisconsin Fast Forward Round 2: Construction, Transportation, and Financial Services Award,” and DWD/OSD, “Wisconsin Fast Forward Round 3: Manufacturing Award Summary,” and DWD/OSD, “Wisconsin Fast Forward Round 3: Small Business and Customer Service Award Summary.”

## Policy Options:

- Amend WFF’s Administrative Rules be so that: 1) grantees are encouraged to show in their application a plan for linking their training program to established career pathways and career pathway bridges and for informing trainees of this linkage; and 2) the evaluation criteria consider the existence and quality of the plan.
- Adjust OSD’s responsibilities to include technical assistance aimed at identifying career pathway/bridges partners for grantees.
- Increase sustainability, portability of skills, and the value of training to workers and the state’s economy by ensuring that workers receive course credit for training, including industry-recognized certification or licenses. Currently, instructions to applicants indicate that evaluators will consider whether workers will gain certification or transferable credits.<sup>43</sup> However, there is no requirement that employers commit to offering certification or course credits. And as noted previously, only a few currently funded programs have offered certification or transferable credits. Applicants should be required to consider and document how proposed training relates to industry-recognized certification or credits to successful trainees. Where such credentials or credits are not feasible, an explanation should be required.

### 3. FORGE STRONGER LINKS WITH TECHNICAL COLLEGES, WORKFORCE DEVELOPMENT BOARDS, ECONOMIC DEVELOPMENT AGENCIES

WFF engages employers in a new and exciting opportunity to build the skills they need. With additional attention to the broader context of skills development in the state, WFF can provide leverage that will help make training, through WFF and through other training systems, more engaged with employers, and more sustainable in the long run.

Currently, WFF suggests that applicants consult with workforce-related organizations in the development of their grants. WFF also recognizes that grants aimed at unemployed and underemployed workers will likely include these organizations as partners. The relationship with these organizations should be strengthened. WFF should encourage greater partnership with WDBs, technical colleges, and others. In particular, partners could assume grant administration and lead the grant application process. Doing so can improve business access to and outcomes from WFF as well as forge links to Wisconsin’s workforce development system that will help secure longer-term sustainability of employer driven training.

## CONCLUSION

WFF provides an important new resource for the future of the state of Wisconsin. That the state has invested so significantly in skills and designed a program responsive to employer demand is an important indication of the issue of skills in the state, and the critical role that employers will play in building skills and a skill delivery system for the future. This report has pointed out areas in which WFF can build upon these foundations, reshaping them so that WFF better aligns with its own priorities and best practices more broadly. This is important in the current policy context because WIOA promotes many of the cited best practices and encourages the coordination of workforce development programming in order to leverage resources for maximum effect. Making the recommended changes will ensure that WFF training investments maximize results for low-wage Wisconsin workers and high-road employers. Renewed funding through GPR and WIOA, which provides new discretionary resources, could support the recommended improvements and expand WFF into a state-of-the-art worker training program – one that connects to and influences Wisconsin’s broader public system of skills development.

<sup>43</sup> DWD/OSD, “WFF Project Planning Guide,” July 2014.