

STATE OF WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT

**AGENCY PRIMER:
“WHAT YOU NEED TO KNOW”**

JANUARY 2023



**INSTITUTE FOR
REFORMING GOVERNMENT**

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FROM THE DESK OF CJ SZAFIR

Freedom and Opportunity. Those are ideals that bind us together as a state. Unfortunately, the size and scope of state government too often gets in the way of individuals and families being able to achieve their full potential as they build their share of the American Dream.

We can do better, and we must do better. We all should ask,– “Is the mission of state government, — of each and every agency, bureau, and division —, aligned with the vision that everyday Wisconsinites have for Wisconsin? Is state government set up to help citizens succeed, or is it a roadblock to success? We need a conservative vision for state government, indeed for each and every agency.

Last spring, with support from our donors and Board of Directors, the Institute for Reforming Government started an ambitious project to help answer those questions about the biggest state agencies to help answer those questions because we believe the best way to enhance liberty is to improve transparency. This project was the work of eight experts in Wisconsin state government, including three senior-level cabinet officials, a budget director, and subject matter experts. In addition, our team had regular meetings with former top officials in state government as well as business leaders and other experts outside of government. We looked at past revenue and spending trends. The findings are not surprising.

State agencies are massive. They spend record amounts of taxpayer dollars year over year. They too often get in the way of individual success and are set up as enforcement agents instead of partners in creating a better Wisconsin. They need reform. We need leaders to bring forward conservative visions to the agencies.

In these briefings, we shine light onto state agencies to help all citizens diagnose what is broken. Later, based on these and discussions with people all over Wisconsin, we'll offer government reform ideas and detailed budget analysis to help chart a new course for Wisconsin, - one where each and every individual in our state has the freedom and opportunity to succeed.

Sincerely,

CJ Szafir

President

Institute for Reforming Government

SUMMARY

“Light and liberty go together”

Thomas Jefferson, In a letter to Tench Coxe, 1795”

This document prepared by the Institute for Reforming Government (IRG) is intended to inform policy makers and the public of the full scope of the Wisconsin Department of Workforce Development (DWD). It also highlights areas of concern and opportunities for reform.

For the general public, the executive branch of Wisconsin state government can be a mystery. There are countless agencies with billions of tax dollars flowing through them. Although some may have an understanding of an agency because of their daily work or real world experience, few people in Wisconsin have a handle on the entirety of the executive branch. Each agency has its own mission, functions, and programs. Some agencies generate their own revenue, some rely on state tax dollars and many of them take some sort of federal funding. Each agency has unique powers and authorities. The goal of this briefing document is to pull back the veil and show Wisconsinites how their government taxes, spends, and regulates.

Over the course of months, a team of policy experts at IRG pored over all of the information on Wisconsin’s biggest agencies. In this briefing document, you will see agency functions, budget trends, a list of past appointees, and policy concerns. These items create a basis for understanding the scope and history of each agency in an effort to inform policy makers in Madison as they carry out their work in the coming legislative session. Our hope is that this document will help inform policy makers in Madison as they carry out their work in the coming legislative session. Much of the information contained within this document is from public sources, aggregated in one spot for the reader.

DWD is a large and impactful agency, perhaps one of the most important for employers and workers alike. It oversees issues like Unemployment Insurance, Worker’s Compensation, wage and hour issues, discrimination issues, job training programs, and more.



History

DWD in its current form was established in 1996. Previous iterations included the Wisconsin Department of Industry, Labor and Human Relations (DILHR) (1967-1996) and the Wisconsin Industrial Commission from 1911 - 1966. Prior to 1911 it was the Wisconsin Bureau of Labor Statistics.

In 1911, Wisconsin became the first state to pass a constitutionally valid Worker's Compensation program, putting in place the "grand bargain" for workplace injuries. The grand bargain is a no fault system under which injured workers are entitled to medical care and lost wages for workplace injuries, but are also prohibited from filing lawsuits against employers in most instances.

In 1932, Wisconsin was the first state to create an unemployment insurance program to assist workers who lost their jobs. The program, like worker's compensation, was mirrored in every state over the next few decades. Today, the department still runs these programs. It also handles other workplace issues, such as equal rights claims, wage claims, Family and Medical leave oversight, and job training for various populations, including veterans and those with disabilities.

Divisions

DWD is divided into six divisions, which according to DWD have the following tasks and duties:

- Employment and Training.** The Division of Employment and Training tries to connect Wisconsin's workforce with employers looking to fill vacant positions with qualified candidates. The division hosts a job postings website and promotes these openings through its statewide network of Job Centers. Job seekers are offered assistance with obtaining employment and the necessary training for a new career
- Equal Rights.** The Equal Rights Division administers and enforces laws related to employment and housing discrimination, medical leave, minimum wage, overtime, employment of minors, and other employment related laws. The division also enforces prevailing wage laws.
- Administrative Services.** The division provides administrative services for the department

•**Unemployment Insurance.** The Unemployment Insurance Division is responsible for the collection of payroll taxes and the payment of Unemployment Insurance (UI) to eligible claimants. They are also responsible for oversight of the UI program, mainly fraud detection, recouping overpayments, and troubleshooting contested decisions.

•**Vocational Rehabilitation.** The Vocational Rehabilitation Division is responsible for programs aimed at providing work opportunities for people with disabilities.

•**Worker's Compensation.** The division administers and enforces the Wisconsin Worker's Compensation law.

Advisory Councils

Several appointed advisory councils operate within DWD, advising the department and lawmakers on related legislation. The councils, further described later in this document, include the Unemployment Insurance Advisory Council, the Worker's Compensation Advisory Council, and the Apprenticeship Advisory Council.

Unemployment Insurance Program

UI benefits are paid from the state's Unemployment Insurance Trust Fund, funded by taxes employers pay based on payroll along with their workforce claims history, to workers who are laid off due to no fault of their own. There are many nuances to UI taxes, but generally employers are taxed on the first \$14,000 of wages for each employee, following the schedules established in Wis. Stat. 108.18. As the Trust Fund balance grows, the state moves to better tax tables. Currently Wisconsin is in the best possible table under current law.

UI benefit calculations can be complicated, resulting in minimum weekly payments of \$54 and maximum weekly payments of \$370 depending on wages of the unemployed individual, for up to 26 weeks of benefits.

Sometimes additional weeks of benefits funded by the federal government are also available. There can also be benefits for people with partial unemployment, and for employees of companies enacting an approved work share plan, whereby all workers have a reduction in hours in place of terminations. The UI Advisory Council puts forward an "agreed-bill" every legislative session offering changes to chapter 108 of state statutes.



Worker's Compensation

Worker's compensation started in Wisconsin in 1911. Under the grand bargain of worker's compensation, employers are held harmless from lawsuits for workplace injuries, and employees are promised medical care, paid for by the employer, if they are injured on the job. Employers generally carry worker's compensation insurance to cover the cost of medical care, although some employers have the financial ability to self-insure for these injuries. Like UI, the maximum weekly benefit rate established in state statute, currently at \$415/week for the most common type of claim, permanent partial disability.

Insurance rates for worker's compensation insurance are set by the Wisconsin Compensation Rating Bureau and approved by the Commissioner of Insurance each year. Rates are established by actuaries looking at historic claims data, expected wages, expected injuries, etc., established by industry and adjusted on an annual basis. New rates typically go into place on October 1 each year. The Worker's Compensation Advisory Council reviews legislation impacting chapter 102 of state statutes, as well as developing an "agreed-bill" that has the support of the 10 members of the council each legislative session.

Federal Compliance

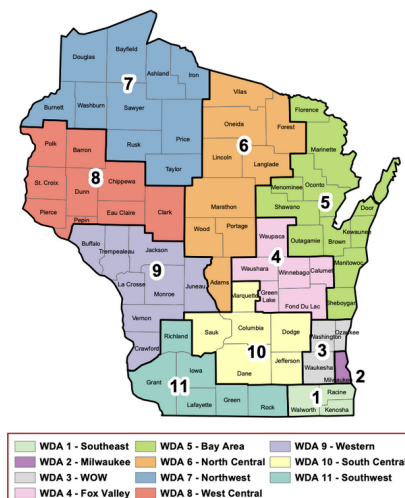
Many functions handled by the department are reviewed by the federal Department of Labor and approved or denied for federal compliance. If compliance is not met, the federal government could withhold certain related payments to the state. The state must also stay in compliance for certain programs, like Family and Medical Leave and Civil Rights administration. In those areas, if the federal government has a policy that is more beneficial for workers, the federal law trumps state law - making compliance often very confusing for employers.

Locations

DWD's headquarters is located downtown Madison at 201 East Washington Avenue.

The department operates job center offices in conjunction with 11 workforce development boards. Contact information by county for the Job Center of Wisconsin can be found online.

Wisconsin's Workforce Development Areas



Wisconsin Department of Workforce Development, Bureau of Workforce Information and Technical Support

AGENCY DESCRIPTION, MISSION, & FUNCTION

Information in this section was pulled directly from public sources on the Department of Administration and Department of Workforce Development websites and published documents.

Agency Description

The department is led by a secretary who is appointed by the Governor with the advice and consent of the Senate. The department's programs are administered by the Office of the Secretary and the following six divisions: Equal Rights, Unemployment Insurance (UI), Vocational Rehabilitation, Worker's Compensation, Employment and Training, and Operations. The department's functions include:

- Developing and maintaining systems for unemployment insurance, worker's compensation and other income maintenance benefit payments to help minimize the effects of decreased or irregular purchasing power of workers due to unemployment or work-related injury or illness, and to promote self-sufficiency.
- Assisting employers looking for workers and people looking for jobs. Developing training opportunities to improve job skills of Wisconsin residents in order to help business and industry meet skilled workforce needs. Providing leadership among the state agencies on the development of employment and training policy and planning. Coordinating local planning for, and effective delivery of, labor exchange and employment and training program services throughout the state's one-stop job center system.
- Providing programs, services, assessment and training to people with disabilities to develop skills needed to obtain employment.
- Promoting compliance with laws and codes designed to protect the public from discrimination in employment, housing and public accommodations, and to assure adherence to fair labor standards.



Mission

The department efficiently delivers effective and inclusive services to meet Wisconsin's diverse workforce needs, and advocates for the protection and economic advancement of all Wisconsin workers, employers, and job seekers.

Function

According to the DWD website, the Department is charged with building and strengthening Wisconsin's workforce in the 21st century and beyond, and it operates under the the following vision, "DWD envisions a thriving Wisconsin economy in which:

- All workers are treated fairly, with dignity and respect;
- Employers, government, educational institutions, and workers collaborate to ensure workforce programs meet current and future needs; and
- Every job provides the wages and benefits necessary to support workers' basic needs, invest in their future, and actively engage with their families and communities."

The Department's primary responsibilities include providing job services, training and employment assistance to people looking for work, at the same time as it works with employers on finding the necessary workers to fill current job openings.

DWD offers a wide variety of employment programs that help connect employers and job seekers, secure jobs for people with disabilities, and assist people with low-incomes and the long-term unemployed in achieving sustainable employment outcomes. The department promotes employment in the state through Wisconsin Job Centers, links youth with jobs of tomorrow, protects and enforces worker's rights, processes unemployment claims, and ensures workers compensation claims are paid in accordance with the law.

AGENCY BUDGET TRENDS

The state budget process begins in September of every even year when each agency sends its budget requests to the Department of Administration. The Governor then has several months to put together the executive budget proposal that is forwarded to the Legislature. The Legislature, through the work of the Joint Finance Committee, then holds hearings and votes on the budget through the spring and summer of the odd year. This culminates with the signing of the budget document that summer. While technically due by July 1 of the budget year, often budget debates will drag into the Summer and sometimes the Fall. However, the government does not shut down in Wisconsin as it does at the federal level when there is a budget impasse - it simply continues on the current spending plan until a new budget is adopted.

The budget for DWD has increased by almost \$23 million over the past three legislative sessions.

Agency Budget Trend

Fund	2017 ACT 59	2019 ACT 9	2021 ACT 58
GPR	\$102,327,800	\$106,364,800	\$108,504,200
FED	\$406,747,600	\$404,276,700	\$416,544,300
PR	\$150,990,800	\$154,592,200	\$155,308,600
SEG	\$49,581,100	\$51,345,000	\$52,268,600
TOTAL	\$709,647,300	\$716,578,700	\$732,625,700

FTE Position Summary

Fund	2017 ACT 59	2019 ACT 9	2021 ACT 58
GPR	150.82	150.82	151.03
FED	1166.18	1164.18	1173.97
PR	218.25	218.25	212.65
SEG	67.8	72.8	72.8
TOTAL	1603.05	1606.05	1610.45



AGENCY LEADERSHIP

As the head of a cabinet agency, the Secretary is appointed by the Governor with the advice and consent of the Senate and serves at the pleasure of the Governor. The Secretary of each agency then must appoint the other members of their team to help them carry out the duties and responsibilities of the agency. Descriptions of each appointed position are listed below:

Secretary

Appointed by the Governor, the Secretary leads and represents the agency. The position is responsible for directing and managing the agency to execute the Governor's agenda while ensuring the efficient operation of the agency per state statute. The position is also responsible for reporting on the agency's matters to the Governor and Legislature.

Deputy Secretary

The Deputy Secretary serves at the pleasure of the Secretary and is primarily responsible for assisting the Secretary with carrying out the mission of the agency including but not limited to, personnel management, day-to-day operations, and external affairs.

Assistant Deputy Secretary

The Assistant Deputy Secretary also serves at the pleasure of the Secretary and is responsible for assisting both the Secretary and Deputy Secretary. Responsibilities may include but are not limited to day-to-day operations and external affairs aligned with the agency's mission.

Chief Legal Counsel

The Chief Legal Counsel serves at the pleasure of the Secretary and provides legal counsel and support involving the agency's affairs.

Legislative Liaison

The Legislative Liaison is primarily responsible for facilitating and managing relationships with the Legislature and external stakeholders to provide information as needed and requested. The position also helps develop the agency's legislative agenda to align with the Governor's priorities, current industry standards and respond to stakeholder concerns.

Communications Director

The Communications Director supports the Secretary's Office in strategic communications and responds to media inquiries. The position may also speak on behalf of the Secretary and represent the agency in the media.

Division Administrator

Division Administrators, appointed by the Secretary, are responsible for providing leadership, personnel management and guidance on day-to-day operations for their assigned division. These positions typically report to the Deputy Secretary, communicating activities and providing advice to ensure the division is in line with the agency's mission.

These appointments may change during the 4-year term of a governor. Listed here are the teams serving under Gov. Evers in mid-2022, as well as the appointed team that served under Gov. Walker in 2018

Agency Leadership

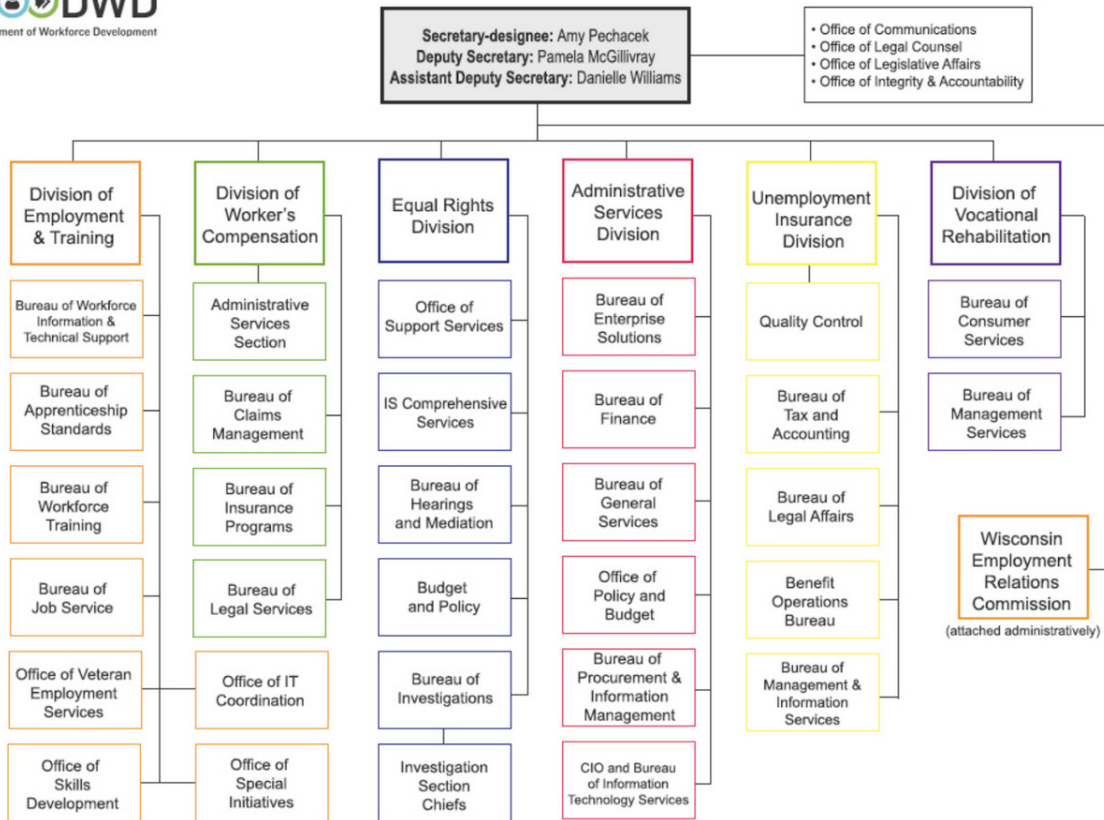
POSITION	EVERS	WALKER
SECRETARY	Amy Pechacek	Ray Allen
DEPUTY SECRETARY	Pamela McGillivray	Chris Hagerup
ASSISTANT DEPUTY SECRETARY	Danielle Williams	BJ Dernbach
CHIEF LEGAL COUNSEL	Jennifer Wakerhauser	Paul Dedinsky
COMMUNICATIONS DIRECTOR	Jennifer Sereno	Bill Cosh
LEGISLATIVE DIRECTOR	Jennifer Cole	Keeley Moll
ADMINISTRATIVE SERVICES DIVISION ADMINISTRATOR	Lynda Jarstad	Karen Kerner
EMPLOYMENT & TRAINING DIVISION ADMINISTRATOR	Michele Carter	Chytania Brown
EQUAL RIGHTS DIVISION ADMINISTRATOR	Jesus Villa	Robert Rodriguez
UNEMPLOYMENT INSURANCE DIVISION ADMINISTRATOR	Jim Chiolino	Joe Handrick
VOCATIONAL REHABILITATION DIVISION ADMINISTRATOR	Krista Knigge	Krista Knigge
TRADE AND CONSUMER PROTECTION	Delora Newton	Delora Newton
WORKER'S COMPENSATION DIVISION ADMINISTRATOR	Steven Peters	Frank Lasee



ORGANIZATIONAL CHART



Wisconsin Department of Workforce Development



ATTACHED COUNCILS, TASK FORCES, & COMMITTEES

Like most agencies, the Department of Workforce Development has boards and councils that are charged with various responsibilities. Generally, these groups either give advice to the Secretary or they are part of the regulatory process itself. Listed here are the DWD statutory boards, councils, and committees, their duties and responsibilities, and their composition as prescribed by law.

Unemployment Insurance Advisory Council

The Unemployment Insurance Advisory Council (UIAC) advises DWD and the legislature on issues related to unemployment insurance and potential changes to governing statutes or regulations.

The UIAC has ten members appointed by the DWD secretary, 5 to represent organized labor and 5 to represent employers, one of which by law must be from a small business or small business organization. It is chaired by a non-voting permanent classified DWD employee.

Workers Compensation Advisory Council

The Workers Compensation Advisory Council (WCAC) advises DWD and the legislature on issues related to workers compensation and potential changes to governing statutes or regulations.

The WCAC has ten members appointed by the DWD secretary, 5 to represent organized labor and 5 to represent employers. It is chaired by an employee of DWD designated by the secretary, typically the division administrator for the Worker's Compensation division. The secretary also appoints 3 representatives of the worker's compensation insurance industry as non-voting members of the council.

Self-Insurers Council (for Worker's Compensation)

The Self-Insurers Council aids DWD in administering the self-insurance worker's compensation program. The council ensures the financial viability of employers seeking to be part of the program. It consists of 5 members appointed by the secretary.



Health Care Provider Advisory Committee

The Health Care Provider Advisory Committee was created to help establish treatment guidelines in an effort to reduce health care costs in worker's compensation cases. The committee is composed of healthcare professionals.

Wisconsin Apprenticeship Advisory Council

The Apprenticeship Advisory Council advises DWD on issues related to Wisconsin's apprenticeship system. It is a larger council, consisting of 9 representatives of employers, 9 representatives of workers, typically organized labor, 1 representative of the technical college system, 1 representative of the DPI, 2 members who represent the public interest appointed by the DWD secretary, and 1 permanent classified employee of the DWD, appointed by the DWD secretary, who serves as non-voting chairperson.

Council on Migrant Labor

The Migrant Labor Council advises DWD and other state officials on issues related to migrant work. Membership includes 6 representatives of employers of migrant workers and 6 representatives of migrant workers and their organizations, along with a majority and minority member from each house of the Legislature.

Employment Relations Commission

The Employment Relations Commission is an independent entity attached to DWD for administrative purposes. It, according to its own description, promotes collective bargaining and peaceful labor relations in the private and public sectors. The commission determines various types of labor relations cases and issues decisions arising from state employee civil service appeals. The commission also provides mediation and grievance arbitration services as well as training and assistance to parties interested in labor-management cooperation and a consensus approach to resolving labor relations issues.

Governor's Council on Workforce Investment

The Governor's Council on Workforce Investment (CWI) is not technically part of DWD, but its work is closely intertwined with the department. CWI is the federally-mandated council required by the Workforce Innovation and Opportunity Act. According to the CWI website, the council is suppose to "assist the governor in developing innovative and dynamic ap-proaches to develop Wisconsin's workforce." To that end, CWI is charged with aiding Wisconsin employers in finding the workers they need and providing resources to enable workers to access training for in-demand careers with the ultimate goal of moving Wisconsin's economy forward.

MAJOR PAST INITIATIVES

(2011-Present)

Most major policy initiatives happen during the budget process. The Governor, and sometimes the Legislature, will propose a major reduction or increase in spending for any number of programs. The major initiatives from Gov. Evers in the 2021-2022 session are listed below. Many of the initiatives listed here were initially signed by Gov. Walker, such as Substantial Fault as a disqualifier for UI benefits, Right to Work, and a local prohibition on local employment regulations. Gov. Evers in 2021-2022 attempted unsuccessfully to repeal them, and was stopped by lawmakers.

Major Past Initiatives

INITIATIVE	GOVERNOR	ENACTED	NOTES
Make employees terminated for their own Substantial Fault still eligible for coverage for worker's compensation.	Evers	No	Removed by lawmakers
Work Opportunity Tax Credit modeled on similar federal program	Evers	No	Removed by lawmakers
Continue Fast Forward training grants with modifications to use pandemic funds	Evers	No	Removed by lawmakers
Pandemic recovery grants for workforce boards	Evers	No	Removed by lawmakers
Fast Forward green jobs training grants	Evers	No	Removed by lawmakers
Increased investigation and enforcement of worker classification and increased penalties on employers.	Evers	No	Removed by lawmakers
Increase Minimum Wage to \$10.10 and index to inflation	Evers	No	Removed by lawmakers
Restore state prevailing wage that Gov. Walker repealed.	Evers	No	Removed by lawmakers
Repeal Right to Work	Evers	No	Removed by lawmakers
Repeal prohibition on requiring project labor agreements	Evers	No	Removed by lawmakers



Repeal prohibition on local municipalities from enacting or enforcing local employment regulations or imposing occupational licensing requirements more stringent than state requirements.	Evers	No	Removed by lawmakers
Expand FMLA to cover employers of 25 or more (currently 50) and to cover care for grandparents, grandchildren, and siblings.	Evers	No	Removed by lawmakers
Prohibit employers from discriminating based on gender identity or gender expression	Evers	No	Removed by lawmakers
Make asking a job applicant about a conviction record or to supply information about a conviction record a basis of discrimination under state law.	Evers	No	Removed by lawmakers
Transfer \$120,000,000 to the UI Trust Fund to make UI payments and ensure the UI Trust Fund isn't negatively impacted by pandemic-related UI claims.	Evers	Yes	Signed into law
Technology upgrade of \$79,486,000.	Evers	No	Removed by lawmakers
Repeal drug testing provisions for UI benefits	Evers	No	Removed by lawmakers
Study on utilizing a sliding scale for UI benefits	Legisla- ture	No	Removed by lawmakers
Increase the UI weekly benefit rate from \$370 to \$409, and establish a formula to increase the rate going forward.	Evers	No	Removed by lawmakers
Repeal the one-week waiting period for UI benefits	Evers	No	Removed by lawmakers
Repeal statutory requirement for UI claimants to make 4 work searches each week, instead allow DWD to set the requirements by rule.	Evers	No	Removed by lawmakers
Repeal Substantial Fault as a UI benefit disqualifier.	Evers	No	Removed by lawmakers

STAKEHOLDERS

Every agency has a number of organizations, professions, and industries that are uniquely interested in the policy or regulatory decisions that could affect their membership or industry. The groups are commonly organized into trade associations and are represented by registered lobbyists that stay in touch with agency leadership. These lobbyists keep their membership informed on current policy debates and use their expertise to educate policy makers on the issues important to their industries. Below is a non-exhaustive list of stakeholders that are interested in the Department of Workforce Development.

STAKEHOLDER	TYPICAL ISSUES
Wisconsin Manufacturers & Commerce	Keeping UI taxes and rates low, solvency of the UI Trust Fund, a functioning jobs program, worker's compensation costs, federalizing employment laws, apprenticeship issues.
ABC-Wisconsin	Keeping taxes and rates low, solvency of the UI Trust Fund, ensuring UI availability for seasonal claimants, apprenticeship issues.
Labor Unions	Increasing the weekly UI and worker's compensation benefits, wage and hour law and equal rights enforcement, expanding eligibility for UI claims, apprenticeship issues.
Wisconsin Restaurant Association	Keeping UI taxes low, a functioning jobs program.
AGC of Milwaukee and Wisconsin	Keeping taxes and rates low, solvency of the UI Trust Fund, ensuring UI availability for seasonal claimants, apprenticeship issues.
Law Enforcement/ Emergency Personnel Labor Unions	Expanding worker's compensation coverage to cover more mental injuries resulting from work related incidents.
Wisconsin Hospital Association	Worker's Compensation matters, keeping a system that doesn't include government price controls.
Wisconsin Insurance Alliance	Worker's Compensation matters, keeping Wisconsin competitive with other states for insurance rates.
Small Business Trade Associations like WIB, NFIB, IBAW	Keeping UI taxes and rates low, solvency of the UI Trust Fund, a functioning jobs program, worker's compensation costs.
Retailers	Keeping UI taxes and rates low, solvency of the UI Trust Fund, a functioning jobs program, worker's compensation costs.



PAST EXECUTIVE ORDERS

Formal actions by the Governor are conveyed through executive order. These orders often direct state agencies to carry out the Governor's policy goals within their statutory authority. They can be used to create councils to explore public policy solutions, bring the state into compliance with federal requirements, direct agencies to take certain actions, and carry out powers granted to the Governor under Chapter 14 of the Wisconsin Statutes. Below is a list of executive orders that pertain to the Department of Workforce Development under Gov. Evers and Gov. Walker.

Executive Orders

GOVERNOR	EO#	DATE	DESCRIPTION
Evers	6	1/28/19	Creating councils, including CWI
Evers	11	2/18/19	Creation of the Governor's Task Force on Care-giving
Evers	20	4/15/19	Creation of the Joint Enforcement Task Force on Payroll Fraud and Worker Misclassification
Evers	41	8/22/19	Re-Creation of the Criminal Justice Coordinating Council
Evers	45	9/16/19	Creation of the Governor's Task Force on Retirement Security
Evers	52	10/17/19	Creation of the Governor's Task Force on Climate Change
Evers	103	1/13/21	Special Session of the Legislature on Unemployment Insurance Modernization
Walker	7	1/21/11	Creating councils, including CWI
Walker	18	3/9/11	Suspending Gov. Doyle Executive Order #108 relating to employment of apprentices on state construction projects
Walker	19	3/11/11	Suspending Gov. Doyle Executive Order #172 relating to family child care providers
Walker	56	1/13/12	Creation of the College and Workforce Readiness Council
Walker	66	5/2/12	"Lean Government" Initiative

Walker	99	4/26/12	Creation of the Governor's Information Technology Executive Steering Committee
Walker	100	5/2/12	Relating to the Governor's Council on Workforce Investment
Walker	129	1/23/14	Relating to a Special Session of the Legislature
Walker	137	6/13/14	the Wisconsin Veterans Employment Initiative
Walker	150	1/26/15	Re-Creation of Nonstatutory Committees, including CWI
Walker	152	3/20/15	Reconstructing CWI
Walker	250	7/28/17	Special Session of the Legislature focused on Economic Development



GOVERNMENT REFORM OPPORTUNITIES

Wisconsin government has grown too big and too expensive. This has precipitated issues across the whole of the executive branch that have become a barrier to the success of Wisconsin residents and businesses alike. The Institute for Reforming Government endeavors to shine light on these issues as prime opportunities for bold reform. Below you will find a non-exhaustive list of policy concerns that we have highlighted for the Department of Workforce Development.

Skills and Job Training

Too many jobs are unfilled throughout the state today. From students to retirees, more must be done to help people enter the workforce. While this is a classic issue without a silver bullet, many reforms should be entertained to move Wisconsin in the right direction.

Unemployment Insurance

The Unemployment Insurance (UI) system in Wisconsin is in need of a major overhaul. Too often, lawmakers are reluctant to make meaningful reform to the UI system unless the reform is first approved by an unelected council, the Unemployment Insurance Advisory Council. This has led to a system that is not prone to making needed or meaningful changes. Lawmakers should exercise their prerogative as elected officials to fix the UI system.

UI Backlog, computer system. A crisis occurred at DWD during the pandemic when the department failed to deliver benefits to thousands of Wisconsinites in a timely manner. While the issue has moved out of the public spotlight, the potential is there for it to flair up again in a moment of sudden high unemployment.

UI Trust Fund balance. If the UI Trust Fund drops below \$1.2 billion, employers will face higher UI taxes. When unemployment was high during the pandemic and record benefits were being paid out each week, the Trust Fund dropped below \$1.2 billion, requiring lawmakers to step in to ensure the tax rates did not increase due to the pandemic. The Trust Fund balance is currently at \$1.3 billion (as of 8/23/2022).

UI taxes and benefits. There is always pressure from labor groups to increase UI benefits. There is also an ongoing push to increase the UI Trust Fund by increasing the wage base to which UI taxes apply. Their argument is that higher taxes are warranted to keep the Trust Fund solvent and able to pay future benefit claims.

Worker's Compensation Insurance

DWD has a large umbrella of responsibilities and has found itself with serious mismanagement issues. While the issues have been largely in Unemployment Insurance, care must be taken to ensure that such incompetence doesn't impact the customer service given to injured workers or insurance providers.

Additionally, employers remain concerned with the charge differences they see for worker's compensation injuries covered by group health. Similar injuries face very different allowed charges on if the injury is a workplace injury. This cost differential is a competitive disadvantage for doing business in Wisconsin.

Benefits Cliff

Government benefits are often blamed for workers not accepting promotions because the higher salary would make the worker ineligible for government benefits they currently receive, such as assistance with childcare, housing, FoodShare, and healthcare. This prevents individuals from taking promotions and advancing in their careers, harming them as well as the employer that wants to promote them.

The Labor and Industry Review Commission (LIRC)

The Labor and Industry Review Commission (LIRC) is a quasi-judicial commission that gives those dissatisfied with a DWD adjudication of an employment claim a taxpayer funded opportunity to have the ruling reviewed and potentially overturned before going to Circuit Court.

Wage and Hour Issues

There is constant pressure to review and reform wage and hour laws. Issues that are always under debate by employers and organized labor include the minimum wage, FMLA standards, separate state wage and hour standards, prevailing wage rates, project labor agreements, local employment mandates, and more.



At the Institute for Reforming Government we know that the government isn't the way of the future - people are. And we believe that in order to empower people and ideas to flourish, our government needs to get out of the way.

This is nothing new for Wisconsinites- we have a long history as the standard bearer for government reform - we were the first state to implement unemployment insurance, Wisconsin Works (W-2), and we were on the cutting edge of major collective bargaining reform. But today the state we love is beginning to lag behind. Our executive branch has become bloated, slow, and expensive - a burden to the state's economy instead of a catalyst.

The solution to this problem isn't more government, it's less. What we need is a conservative vision for the state. This introductory document lays bare the issues and problems that are standing in the way for Wisconsin. In the coming months, IRG will be releasing a series of reforms that will cast a conservative vision for key executive branch agencies in the state.

Now is the time to renew our faith in the people of Wisconsin, not the government.