



2020

GOVERNOR'S COUNCIL ON WORKFORCE INVESTMENT RECOMMENDATIONS



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October 9, 2020

Governor Tony Evers
115 East Capitol Drive #1
Madison, WI 53702

Dear Governor Evers,

The Governor's Council on Workforce Investment (CWI) is tasked with aligning Wisconsin's workforce needs with its economic development goals and strategies and advising the Governor in this regard. This Council exists to help Wisconsin employers find the skilled talent that they need while providing resources, training, and reskilling for workers to access in-demand careers necessary to obtain family-supporting jobs and help move Wisconsin's economy forward.

With those goals in mind, the CWI and its three working groups – Growing Workforce Opportunities, WIOA, and Employment Training Infrastructure – built on the foundational work done in their 2018-2022 Strategic Plan. Throughout the course of 2019-2020, the working groups and the Council met across the state and discussed, researched, and collaborated with partners on the workforce development needs and best practices of their areas. When the COVID-19 pandemic hit, the working groups shifted to a virtual meeting format. They also shifted their initial priorities and recommendation focus to both reflect and account for the changed world that COVID-19 has brought and the challenges that it has exposed going forward.

The result of that work and those discussions are contained here. It is our hope and desire that these recommendations receive your attention and reflection as you head into your biennial budget cycle.

On behalf of the CWI, I am pleased to present to you these four recommendations, and I believe that these recommendations reflect the time, input, and introspection of a diverse cross-section of Wisconsinites who are active in the workforce development space, engaged in their communities, and excited at the opportunity to help shape, prepare, and provide for the post-COVID world of workforce here in our state.

Best Regards,



S. Mark Tyler, Chair
Governor's Council on Workforce Investment

Executive Summary

Employment Training Infrastructure Working Group

Academic/Career Pathways Program: On behalf of the Employment Training Infrastructure Working Group, the Governor's Council on Workforce Investment (CWI) recommends to the Governor that he request an annual GPR allocation of \$3.14M for the Department of Public Instruction (DPI) to expand a proven youth talent development system statewide between employers, public agencies, and its K12 staff, students, and families.

Tools of the Trade: On behalf of the Employment Training Infrastructure Working Group, the Governor's Council on Workforce Investment (CWI) recommends to the Governor that he support programs to assist students in paying for materials associated with the apprenticeship program.

Growing Workforce Opportunities Working Group

Flexible Job Training Support: On behalf of the Growing Workforce Opportunities Working Group, the Governor's Council on Workforce Investment (CWI) recommends to the Governor that he support flexible job training options along with employment-related support to maximize efficient use of resources to meet customers' employment needs.

WIOA Working Group

Broadband Expansion: On behalf of the WIOA Working Group, the Governor's Council on Workforce Investment (CWI) recommends to the Governor that he direct DWD to coordinate with the Wisconsin Broadband Office (WBO) to focus resources on improving broadband expansion access in rural and underserved areas of Wisconsin to promote workforce development and effective labor market participation.



Employment Training Infrastructure Working Group

ACADEMIC/CAREER PATHWAYS (ACP) PROGRAM RECOMMENDATION:

The Governor request an annual GPR allocation of \$3.14M for the Department of Public Instruction (DPI) to expand a proven youth talent development system statewide between employers, public agencies, and its K12 staff, students, and families.

Wisconsin K12 Career Readiness and Connections to a State Talent Development System

Executive Summary – ACP

The Governor's Council on Workforce Investment is requesting an annual GPR allocation of \$3.14M to expand a proven youth talent development system statewide between employers, public agencies, and its K12 staff, students, and families.

Several challenges highlight the need for ongoing coordination. First, workforce and talent development for youth is currently delivered through several, sometimes disconnected, programs, agencies, and initiatives beholden to different federal and state legislative requirements. In addition, growth in the working-age population is expected to slow through 2040. Together, these factors make it critical to ensure that training and educational opportunities are consistent with the types of jobs that will become available. A strong collaboration among the many stakeholders is needed.



The Model

State and Regionally Coordinated Career Pathways (regional career pathways) have delivered the unified effort of a successful youth talent development system. This model has been field-tested under a pilot program funded by J.P. Morgan Chase Foundation's New Skills for Youth grant. The pilot demonstrated the following:

- ◆ No one group can “own” career pathways, especially an educational or public agency. To be successful, **regional career pathways must be structured as a true collaboration with employers leading the efforts and not just in an advisory role.**
- ◆ There is a need for long-term, sustainable coordination of youth talent development through an employer-driven career pathways model that provides information to:
 - Education (K12, technical colleges, universities)
 - Training centers (apprenticeships)
 - Workforce development (boards, job centers, training centers, transitions)
 - Economic development (talent development, retention, attraction)

This model is co-owned, collaboratively led by all partners and is accountable to the state for talent development.

The model's successful structure is based on regional teams co-managed by two groups:

- ◆ **Regional Economic Development Organizations** coordinate representation by employers in high-demand and growing industries, workforce development, chambers of commerce, schools, higher education, employer associations, and community leading for K12 career and talent development. Note: Employers continually report that they are “burnt out” by requests from numerous educational and public agency partners without any coordination.
- ◆ **Cooperative Educational Service Agencies (CESAs)** provide permanent state-level coordination between public agencies, K12 schools, and higher education partners on youth workforce and talent development initiatives: one representing employer and workforce interests (at WEDC) and one representing K12 and higher educational interests (at DPI)—both reportable and accountable to the DWD Council on Workforce Investment.



Annual Budget Request: \$3.14M

The New Skills for Youth grant ended in December 2019. Bridge funding from the federal career and technical education (CTE) programs is temporarily extending the pilot work statewide beginning in the 2020-21 academic year. However, this is not a sustainable source as it reduces the overall allocation to individual school CTE programs.

Concerns exist that unless the independent, regional economic development organizations and partner CESAs obtain funding for dedicated staffing, support for development, implementation, and access to Wisconsin's quality high-skill high-demand career pathways is unlikely to continue beyond the Perkins Reserve period.

District Career Advising	\$120,000 salary and fringe (1 FTE/CESA) for a dedicated career and workforce education coordinator in each of 12 regional CESAs. This would align district K12 Academic and Career Planning (ACP) services to regional and local career pathways, immersive career development training to school staff, workforce education, business development outreach, and coordination between businesses and school boards of districts with a focus on reducing barriers to equitable access, participation, and completion.	\$1,440,000
Support of State and Regional Collaboratives: Sustainability	<p>\$120,000 salary and fringe (1 FTE State + 1 FTE/REDO)</p> <p>a. Provide for a state K12 talent development coordinator to coordinate, support, and implement statewide K12 Career Ready Wisconsin talent initiatives among nine regional economic regions.</p> <p>b. Provide a staff person at each of nine regional economic groups to recruit, train, and support employer mentors and coaches to partner, offer, and implement K12 career-based learning experiences, including support of Inspire. The results from these efforts have the potential to support the adult workforce as well.</p>	\$1,200,000
Increase ACP Budget Request	Increase the current DPI-ACP annual allocation to allow for increases in subscription rates for the business-education software tool, and continued support of ACP identification of best practices, student outcomes, and district support.	\$500,000

The proposal would advance the Council on Workforce Investment's mission and meets many of the stated aims of the Wisconsin Manufacturers and Commerce (WMC) Foundation's February 2019 policy paper, Wisconsin Workforce Competitiveness Evaluation. See the full, detailed report here:

https://www.wmc.org/wp-content/uploads/Future-WI-Report_FINAL.pdf

TOOLS OF THE TRADE RECOMMENDATION:

The Governor support programs to assist students in paying for materials associated with the apprenticeship program.

Connection to CWI's Mission:

The Employment Training Infrastructure Working Group has, as one of its two strategic priority areas, recommended in the CWI's 2018-2022 Strategic Plan (http://wi-cwi.org/pdf/cwi_2018_strategic_plan.pdf) a goal to increase awareness and support and expand worker training programs and apprenticeships throughout Wisconsin. The Tools of the Trade Apprentice Scholarship program has been identified as a way to support apprenticeships that CWI supports funding and expanding statewide.

Background:

Wisconsin employers continue to seek workers in the trades and apprenticeships have been successful in helping meet that demand. However, some apprentices may struggle to afford certain program and material costs associated with an apprenticeship that are not covered by their sponsors. The Tools of the Trade Scholarship program seeks to support construction and industrial trade apprentices attending a Wisconsin Technical College System college by awarding 230 apprentices with financial needs up to \$1,000 to help cover the costs of equipment, uniforms, unique tools, and other equipment associated with their apprenticeship. The existing Tools of the Trade program is currently privately funded for the system by the Ascendium Education Philanthropy (formerly Great Lakes Higher Education Corporation) and annually dispenses approximately \$200,000 in grants.

Legislation that creates a grant program to technical college students for apprenticeship expenses has received bipartisan support. (See 2019 Senate Bill 44.)

As Wisconsinites work to restart their economy, it is critical that they are provided the support, training, and, in some, cases reskilling that they need to return to work. Apprenticeships help meet the needs of both employer and employee, providing the former with a trained labor force and the latter with reliable, family-supporting jobs. With that in mind, the CWI recommends to the Governor that he support programming to assist students in paying for materials associated with the apprenticeship program, thereby helping to remove some of the financial barriers of entry that some Wisconsin apprentices face.



Growing Workforce Opportunities Working Group

FLEXIBLE JOB TRAINING SUPPORT RECOMMENDATION:

The Governor support flexible job training options along with employment-related support to maximize efficient use of resources to meet customers' employment needs.

The Governor's Council on Workforce Investment is recommending the Governor support flexible job training options along with employment-related support to maximize efficient use of resources to meet customers' employment needs.

The Growing Workforce Opportunities Working Group is shifting focus and strategies while COVID realities continue. Unemployment rates are high. Wisconsin residents are challenged financially and searching for new job opportunities can be challenging. This new focus pivots this committee towards short-, medium-, long-term priorities with the highest priority on job training along with employment related support. This group will make recommendations to the workforce partners in support of flexible training options and efficient use of resources to meet customer needs and asks the Governor to support these recommendations once they are made.

Federal Pell Grants are not always available for workers. A focus on career pathways to provide just-in-time training is critical, and demonstrating an expectation that key Workforce agencies work closely to maximize both their training and support financial resources to increase the probability of positive training/employment outcomes for participants is essential. "Outside of the box" approaches to providing training through proven strategic such as short-term boot camps and customized training options will need support.

Guiding this are key principles that the expanded WIOA partnership is focused on at the current time. Those principles are:

- ◆ Focus on traditionally marginalized populations
- ◆ Family-centered employment approaches in workforce development
- ◆ Inclusivity
- ◆ Ongoing research and collaboration
- ◆ Evidence-based practice and decision making



The Growing Workforce Opportunities Working Group asks for the Governor's support in these short-, medium -, and long- term approaches to address current workforce needs in Wisconsin.

Short- and Medium-Term

- ◆ Encourage and endorse training efforts focused on supporting adults and dislocated workers now unemployed/underemployed in the state, whether working through DWD, Technical Colleges, the University of Wisconsin system, etc. These training efforts will focus on providing the necessary reskilling and upskilling needed for the Wisconsin labor force. These trainings will include both traditional postsecondary trainings and apprenticeship services.
- ◆ Support DWD (and other agencies) efforts to bring new resources to the state to address worker and employer needs. These include federal DOL COVID/Emergency grant opportunities and exploration of other state/federal/private funds that could support the work group's worker training goals.
- ◆ Expand partnerships with key community groups that connect with customers that need more assistance. These groups include Boys and Girls Club, Urban League, and other organizations. Many current and future workforce participants face challenges, including their home situation and lack of relevant work experience. Community groups provide valuable resources and support; partnering with these groups will grow the workforce. Creative community outreach strategies combined with use of work experience programs can be beneficial.
- ◆ Provide support for new and innovative approaches to match employers and job seekers, including virtual job fair strategies, drive through job fairs, or other efforts during COVID restrictions. Focus more efforts on IT solutions that will provide more positive impact while virtual services are still on the forefront.
- ◆ Demonstrate expectations that partners in the WIOA state plan (DWD, DCF, DHS, DOC, WTCS) and other agencies work closely together to maximize coordination and effectiveness, not only for the purpose of stretching valuable resources, but with a goal of removing barriers for participants that limit their overall training and employment efforts.
- ◆ Have close collaboration with the Bureau of Workforce Information, to ensure real time Labor Market data is always at the forefront when considering the in-demand occupations, related training requirements, and re-tooling needs of workers to ensure the right training is made available for the right jobs.

Long Term:

- ◆ Investigate efficient strategies to capture relevant agency asset mapping resource information in a way that is informative and current. ASSET mapping is complicated and can quickly become dated. However, by exploring internet-based options that will stay up-to-date, a more meaningful engagement with participants in need of services can be provided.



BROADBAND EXPANSION RECOMMENDATION:

The Governor direct DWD to coordinate with the Wisconsin Broadband Office (WBO) to focus resources on improving broadband expansion access in rural and underserved areas of Wisconsin to promote workforce development and effective labor market participation.

Context

Among the significant and wide-ranging impacts of the COVID-19 pandemic on American life, it has turned the labor market upside down. Only a short time ago, the unemployment rate in Wisconsin reached an all-time low of 3.1% and CEOs consistently cited the difficulty of recruiting employees as their top concern. Indeed, the work of the Governor's Council on Workforce Investment (CWI) had until now focused on how to reach untapped corners of the labor market to help alleviate the labor shortage. Currently, the challenges of this labor market are quite different after the state's unemployment rate has increased; topping out at a staggering 14.1% and currently sitting at 7%.

Helping unemployed Americans get back to work is obviously the main challenge of today's labor market. It is arguably the main challenge the nation faces. Considering how much the labor market has deteriorated, the WIOA Working Group met to reassess the group's recommendations to CWI. Although the work had previously focused on strategies for outreach to dislocated labor market participants, it was decided to change the focus to policy ideas that will help unemployed Wisconsinites get through this crisis and reengage with the labor market.

A key aspect of the mandate for CWI is to encourage collaboration between the DWD and various state agencies. The spirit behind the legislation that led to the creation of CWI – the Workforce Innovation and Opportunities Act (WIOA) – was to foster closer intra-governmental cooperation around workforce development and job creation.

Among other aims, DWD is tasked with providing resources for Wisconsin workers to empower them to pursue in-demand careers. In this moment, and for years to come, it is hard to think of a more important resource than broadband access. Broadband access at home will be the lifeline that connects Wisconsinites to the labor market of the information age.

The Permanent Shift to Remote Working

Amid lockdowns and stay-at-home measures, the pandemic has rapidly accelerated the shift to remote work. A study (https://john-joseph-horton.com/papers/remote_work.pdf) by economists at MIT estimated that as much as half of the US workforce had started working remotely during the past several months. More conservative estimates (<https://bfi.uchicago.edu/working-paper/how-many-jobs-can-be-done-at-home/>) of the prevalence of remote working still suggest the percentage is above one-third. The idea that the pandemic may have set off a permanent shift towards working remotely has gained widespread acceptance. At the very least, the pandemic seems to have accelerated a trend that was already well underway.

Companies like Facebook and Twitter have publicly announced policies to promote remote working. Facebook estimates that 50% of employees will eventually work remotely, and Twitter said that all employees can choose to work from home permanently. Anecdotal evidence suggests that moves like this are widespread beyond Silicon Valley – even “old line” industrial companies like Ford and GM have encouraged employees not directly involved in manufacturing activities to remain working from home.

Broadband Access – Lifeline to The New Labor Market

Working from home requires internet access at home and that access typically needs to be high speed. Currently, the most effective and economical way to enable high speed delivery of digital telecommunications is through wireline broadband technology, which refers generally to providing a direct physical connection through digital subscriber lines (DSL), cable, or fiber optic lines from a household to a communications network.

Over the past two decades, high speed internet access at home has become a gateway to some of the most exciting and entertaining aspects of social life in America. In a post-pandemic America, broadband internet at home will become a pressing economic necessity (if not already). Without it, many Americans will be left without access not just to the internet, but also to the job market.

Conversely, those who do have access will have literally a world of new opportunities available to them – especially as advanced economies across the globe shift more towards “knowledge work” and rely less on manufacturing jobs. In making their announcement about permanent work from home, executives at Twitter noted that this will be a boon for their employees because of increased work-life flexibility, and they also noted that the company will be able to access pools of labor far behind their offices in Silicon Valley and other tech hubs like Austin and Denver. Armed with a good internet connection, Americans can theoretically live anywhere and participate seamlessly in the national labor market.

It should come as no surprise that countries, states, economic sectors, and demographic groups where workers quickly converted from commuting to work to working from home experienced sharply lower rates of unemployment during the pandemic crisis. For instance, one month into the crisis the unemployment rate in “computer occupations” fell to 2.8% while all other occupations skyrocketed to 15.0% (<https://www.forbes.com/sites/stuartanderson/2020/06/11/unemployment-rate-for-computer-occupations-fell-in-may/#23ddd88d16ad>). Access to broadband internet is quickly becoming the next fault line of economic inequality in America and in the world. As former Chairman of the Federal Communications Commission Tom Wheeler observed, (<https://www.brookings.edu/research/5-steps-to-get-the-internet-to-all-americans/the>) the “digital divide” will soon become the “digital chasm.”

Broadband in Wisconsin

Access to broadband technology in Wisconsin consistently ranks among the bottom half of US states. The challenge in Wisconsin is one of access, affordability, and quality. According to data from the FCC and other sources, (<https://broadbandnow.com/Wisconsin>) almost 200,000 Wisconsinites have no access to any wired internet providers. Roughly 1 in every 10 Wisconsinites have no access to broadband internet. An additional 2 of every 10 have access to only one provider, leaving no options to switch. Even among areas where high speed internet is available, there is significant disparity. For instance, Racine boasts an average download speed of 114 megabytes per second (MBPS), whereas Wisconsin’s third largest city Green Bay has average speeds less than half of that at 51 MBPS.

Given the nature of broadband technology where physical connections are required to individual households, higher population density clearly reduces the cost per capita to install access. Rural areas consistently have lower rates of broadband penetration as compared to urban areas. Wisconsin’s urbanization rate at round 70% is well below the US average at 81% and even the Midwest at 76%.

Recognizing the challenges of improving broadband access in a state like Wisconsin with a significant rural population, the Wisconsin Public Service Commission (PSC) created the Wisconsin Broadband Office (WBO) in 2009 with the aim of making “Wisconsin more competitive through advancing the availability, adoption, and use of broadband technologies.” Among other activities, WBO administers grants to facilitate the expansion of broadband to rural and high-cost areas and keeps track of data related to broadband access. Governor Evers has made it a top priority to improve broadband access in the state: Over the next biennium, WBO has access to nearly \$50 million in funding to accomplish its work,

(<https://psc.wi.gov/Documents/broadband/Wisconsin%20Broadband%20Plan%202019.pdf>) which represents 20% more funding than the previous period. WBO's end goal is to enable high speed internet access for every Wisconsinite by the end of the year 2025.

Policy Recommendations for CWI

In light of CWI's mandate and the mission of DWD, the WIOA Working Group recommends that DWD focus more effort and resources on coordinating with WBO on improving broadband access in rural and underserved areas of Wisconsin. Specifically, DWD should work with WBO to focus on those aspects of broadband access that are most critical to effective labor market participation:

Speed: WBO stated in its 2019 plan that, "The Governor has proposed a speed goal of 25 megabits per second download and 3 megabits per second upload (25/3 speed) for all Wisconsin homes and businesses by 2025." When the 25 MBPS standard was first introduced by the FCC in 2015, it was thought to be the necessary speed to allow for video streaming and multi-device connectedness. That standard is now antiquated compared to the demands of work-at-home today. Most of America already exceeds the 25 MBPS standard: 90% of Americans have 100 MBPS speed at home, and 85% have 250 MBPS. Spending government money to build sub-standard infrastructure will do little to close the digital divide for Wisconsinites. The standard must be revised up to 100 MBPS.

Affordability: WBO helps defray the cost of broadband installation through grants but is not currently subsidizing on-going service. A study by the Benton Institute for Broadband & Society estimated that low-income families can afford to pay only \$10/month for internet, compared to the average cost of high-speed internet service of \$60/month. This disparity becomes especially acute considering that those who need internet access the most right now to re-engage with the remote labor market are those who have become unemployed. DWD and WBO should explore how they can bring together their resources and money to bear on the challenges of affordability. – e.g. how can Temporary Assistance to Needy Families (TANF) recipients and adults in job trainings get access to service and device discounts? Just as public transportation helps many who cannot afford private transportation to physically get to work, public subsidy of high-speed internet connections at home will be necessary to help people get to work – virtually.

Digital literacy: Providing the pipeline to the internet is a major part of the challenge faced in Wisconsin, but the work cannot end there. Workers will require computer and internet skills. The Federal Reserve Bank of Dallas observed that more than 80% of "middle-skilled jobs" (e.g. jobs that require a bachelor's degree and pay above \$15/hr) are digital-intensive. Not coincidentally, this is also the sector of the labor market that has grown the fastest in the post-Great Recession recovery. Non digital-intensive middle-skilled jobs have grown even slower than low-skilled work. Improving digital literacy among Wisconsinites, especially among those who do not have access to broadband, will require a wide partnership of public schools, private employers, state agencies, and non-profit groups. It is an admittedly broad challenge, but one where DWD and WBO are especially well-positioned to take a lead.

Conclusion

The pandemic has given us all new awareness of the workers who are essential to keep life going. It has also given us new awareness of the essential infrastructure that can keep Americans working. Access to broadband internet has moved far beyond a quality-of-life factor. Its extensive impact on all aspects of life in America – and particularly on an individual's access to the new labor market where remote working has become a norm – has made it a key determinant of overall life outcomes. Having access to broadband at home is not just about being able to watch Netflix. It is about being able to educate children at home, seek treatment from health professionals without traveling to a clinic, and crucially, about being able to work in a 21st century post-pandemic America.

