

Policy Issues
In
2008 Proposal to National Fund for Workforce Solutions (NFWS)
from
Milwaukee Area Workforce Funding Alliance

Barriers to employment for many of Milwaukee's under- and unemployed fall within two main areas: systems/"practice" problems and policy/regulatory problems.

Systems problems include TANF, case management, lack of access to driver's education. Policy barriers include driver's license issues and elimination of pass-through of child support payments.

Case Management

In 2006, the Welfare to Work (W-2) program moved from the Wisconsin Department of Workforce Development to the Department of Family Services. At the same time, the WIA program continued under the control of the DWD and in most cases, new agencies were hired to manage the work under the WIA funding. Most of the time, individuals are participants in both programs, now with a case manager with a Case Management Agency (CMA) and one with a Job Development Placement Agency (JDPA).

The job of the Financial and Employment Planner (FEP) with the CMA is to work with the client to determine eligibility for W-2 and other assistance programs such as child care, food stamps, Medicaid, Emergency Assistance, Job Access Loans, ESAP, and other services. The FEP also performs job placement screening and assigns job search activities and assists with placement in a W-2 employment and training position if barriers prevent them from securing unsubsidized employment. Other expectations from the FEP include developing a W-2 employability plan designed to move the participant into unsubsidized employment as soon as possible, providing information on basic money management, life skills, and work habits needed to succeed in the workplace, providing ongoing and follow-up case management, explaining policies, participant rights and responsibilities and the explaining the Fact Finding Review process. A FEP will also commonly refer applicants to other community services as necessary.

The role of the JDPA is to provide up-front job search activities including individual and group job search, job readiness/motivational activities, job seeker skills training and job survival/retention techniques. JDPAs also develop ongoing relationships with employers, have knowledge of local high-growth industries and how career paths can be linked with those industries, determine which employers within an industry are best equipped to work with the client population, have capacity to understand changing trends within industries and occupations. The JDPA is responsible for managing training sites and Trial Jobs that are tailored to local labor market conditions and prepare individuals for jobs that are part of a career advancement continuum. JDPAs also provide customized skills training based on local industry specifications and aligned with known career pathways, and keep recently employed W-2 participants connected to the workforce. The agency provides an array of services that assist participants in retaining their current job or providing services to rapidly reattach them to the

workforce if the job is lost. Additionally, the JDPA provides services that will enable qualified participants to meet all federal and state requirements for maintaining their eligibility for food stamps.

Clearly there is overlap in services and duplication of case management that can be addressed.

Driver's Education and Licensing of Low-Income Individuals

Low-wage workers with reliable transportation are more likely to work, earn more, and work more hours. So, lack of a driver's license is a barrier to work. In addition, some jobs - especially in construction and health care - require a license of all applicants. For workers without a license, jobs may be inaccessible because a license is a prerequisite, or because a car is the only means of access to a job far from home. The most common reasons for license suspension and revocation in the Milwaukee area are for non-driving offenses, as states have moved to use the license as a means to enforce other goals and raise revenue.

In 2001, when the National Highway Transportation Safety Administration ended its subsidies for driver's education in public schools, the Milwaukee Public Schools (MPS) discontinued driver's education. As a result, most low income students never go through driver's education and have less access to entry level jobs. A lack of driver's education is creating a pipeline of young suspended and revoked drivers who never have a license in the first place. The primary challenge to this is the re-creation of a sustainable revenue source at the state level, which can only be done legislatively, either by act or by budget authorization.

Because of increased attention to this issue, the MPS Board of Directors passed a resolution to urge the State of Wisconsin to restore driver's education for low-income students. For 2007-2008, MPS Board of Directors placed \$475,000 in the budget for driver's education. They worked with Milwaukee Recreation officials to structure an incentive-based driver's education program to improve students' attendance and academic performance. This funding will allow approximately 750 students to receive driver's education. However, it is essential that the financial support is there to continue this portion of the MPS budget.

MAWFA will work with state agencies and the state legislature to reinstate driver's education for students statewide as a cost-effective way to improve transportation safety; and reduce the number of persons who end up suspended or revoked originating from an Operating Without License (OWL) conviction, therefore directing law enforcement resources to more dangerous traffic offenses; and renormalize the possession of a driver's license at the age of eligibility.

Driver's License Suspension and Revocation

According to the Wisconsin Department of Transportation, failure to pay a fine (FPF) is the single most significant reason for driver's license suspensions and revocations at 41.9 percent. Persons who cannot afford to pay traffic fines are caught in a system that criminalizes poverty.

The process for license reinstatement is complicated and confusing for many low-income individuals, especially in cases where multiple steps are needed in multiple courts where there is little consistency because of judicial independence. Milwaukee and Waukesha counties alone have two separate circuit courts and 37 municipal courts, for a total of over 50 judges. In addition, onerous laws connect the privilege to drive to the ability to pay rather than to ensuring public safety.

Two ongoing barriers for individuals are 1) the statutory requirement for expensive SR22 insurance for many revocations that do not result from unsafe driving; and 2) clients' ability to pass the knowledge test once their records are clean without having had formal driver's education.

MAFWA will advocate to repair the problem long-term is to keep driver's license law for safe driving and move away from using drivers license law to punish non-safety-related offenses. MAFWA will form an advocacy team to push the issue of driver's licensing back into the arena of safety through legislation, education of judges, and litigation (by suing judges who continue to use driver's license revocation as a punishment where it is not permitted by law).

MAWFA will work to gain support for key legislative and administrative improvements; and increase court alternatives such as community service, reasonable payment plans, and tax intercept, to positively impact low-income persons with driving records that do not demonstrate unsafe driving.

Child Support

Many low-income noncustodial fathers become discouraged when the State of Wisconsin takes their child support payments to cover the costs of welfare and other State services for the mother. Wisconsin had been the only state that passed through 100% of the child support collected between 1997 and 2005 under a federal waiver, which expired December 31, 2005. Since that time, child support payments now go to the State rather than to the low-income families who need it.

Child support arrearages can also be a deterrent for employment. If a parent knows that they owe back child support payments and fears that the majority of their paycheck will be taken to pay back child support, that individual is unlikely to seek employment. To further this problem, many employers are unaware that the limit on income that can be garnished for child support payments is 50% to 65% depending on the individual's family situation and the length of time that payments are in arrears.

MAWFA will advocate to sustain and improve the Child Support Enforcement system at the federal, state and county level and restore the full pass-through of the child support paid to custodial parents who are, or have been, receiving W-2 cash assistance. The collaborative would also support efforts to restore funding for enforcement.

MAWFA also will work for employer and employee education on the extent to which an employee's pay can be garnished to pay back child support. MAWFA will advocate to create legislative flexibility to allow parents who owe child support to pay off their debt while becoming a more participatory parent and creating a system that encourages them to be employed rather than unemployed.

Workforce Re-Entry for Ex-Offenders

According to the New Hope Re-Entry Project, approximately 8,600 ex-offenders are released each year in Wisconsin, with an average of almost 3,600 offenders released to Milwaukee County. Ex-offenders face multiple obstacles in seeking employment. Ex-offenders are not

permitted by law to work in certain fields such as health care and child care. Also, ex-offenders often have little to no work experience. Add this to the perception that ex-offenders are risky hires because they put other employees at risk, and suddenly the job field for an individual seeking a job is extremely narrow, especially if non-ex-offenders have also applied.

Currently, the New Hope Project is participating in a four-state collaborative to evaluate whether transitional jobs, which offer temporary subsidized employment and supportive services, can improve employment outcomes and reduce recidivism for this population. If this evaluation proves that transitional jobs are beneficial, MAWFA support of, education about, and lobbying for the widespread adoption of this model is expected. Transitional jobs help ex-offenders to gain the experience needed to obtain full-time, permanent employment and offer skeptical employers with support in hiring what they perceive as a “risky” employee.

Distribution of Workforce Development Dollars

An analysis of public funding for workforce development revealed that there are many different public entities involved in the allocation and administration of workforce development dollars. The picture is complex: there are many funding streams that overlap in populations served and services provided across government departments.

The following federal departments provide funding to the State of Wisconsin that is in turn distributed throughout the state.

- US Department of Labor
- US Department of Health and Human Services
- US Department of Housing and Urban Development (HUD)
- US Department of Education
- US Department of Agriculture
- Veterans Trust Fund

Most of the programs, except for a few programs that are administered directly by the US Department of Labor, are administered by State agencies (e.g. Wisconsin Department of Commerce, Wisconsin Department of Workforce Development, and Wisconsin Department of Public Instruction).

Additionally, there are several programs, most of them affiliated with the Wisconsin Technical College System, that are funded through the State budgeting process.

The following table demonstrates the complexity of public funding for workforce development in Wisconsin. This complexity helps to explain the disjointed nature of workforce development locally, within cities, counties, and regions. Part of the workforce development chaos, which has been well documented in the City of Milwaukee and in the greater 7-county region, is a direct result of the way that public funding is allocated. The establishment of Job Centers across the state attempted to address the lack of organization, creating one-stop centers for businesses and job seekers. Despite this step, the public funding system continues to dictate how workforce development funding is used and for whom.

According to the 2007-2009 WIA State Plan, “the State assures that the adult and youth funds received under the WIA will be distributed equitably throughout the state...” Yet, as evidenced

earlier, the 7-county area receives fewer workforce development dollars per capita. Thus far, 2008 unemployment rates in Wisconsin have ranged from 4.5% to 5.8%, and during the same months unemployment rates in the City of Milwaukee ranged from 6% to nearly 7.5%. Of even more concern, and often undocumented by traditional unemployment rates, is that 47% of some minority populations are jobless in Milwaukee, leaving Milwaukee with a greater workforce development need and a smaller budget with which to address it.

It seems apparent, therefore, that the allocation method of workforce money in Wisconsin needs to be revisited. MAWFA will meet with State officials and partner with Milwaukee area state legislators to educate the legislators in the rest of the state on the need in Milwaukee and the impact that Milwaukee's economy has on the state as a whole.