



Fixing Wisconsin's Fragmented Safety Net

Recommendations for Integrating
Welfare and Workforce Development

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By Rebecca Draeger | MacIver Institute for Public Policy

A single mom in Racine applying for FoodShare, Medicaid, child care assistance, and help rejoining the workforce may deal with separate caseworkers, verification processes, and state agencies that do not automatically share what she has already told each of them. FoodShare and Medicaid run through the Department of Health Services (DHS). Wisconsin Works (W-2) and the Wisconsin Shares child care subsidy run through the Department of Children and Families (DCF). Job training runs through the Department of Workforce Development (DWD) and eleven regional workforce boards. It does not have to be this way. This makeup is the product of specific statutory choices, some of them decades old, and a mix of administrative processes that are simply how things have always been done.

Efforts have been made to simplify the process for those seeking public assistance, such as the creation of the ACCESS online portal, which allows Wisconsinites to apply for multiple benefits at once. This portal, however, is not a one-stop shop for those who need multiple employment-related services along with welfare. A Wisconsinite who wants both food assistance and job training still moves between systems that were built separately and are still administered separately.

Key takeaways:

- Wisconsin's multi-agency welfare structure came from a 2007 budget bill, not a standalone reorganization statute.
- Most program-to-agency assignments are set by a chapter 49 definition of "the department" that can be amended without touching eligibility rules or benefit levels.
- Federal law does not require three separate agencies. Medicaid, FoodShare, and unemployment insurance each require only one designated state agency, and all three could point to one department.
- The "single workforce area" designation is closed to Wisconsin under WIOA. A federal waiver could work around it; only Congress could change it.
- Cross-agency data sharing is governed by a confidentiality statute, and how much sharing the agencies already do has not been made public.

Recommendations for the next legislative session:

- Direct DHS, DCF, and DWD to inventory what data sharing current law already allows and report to the Joint Committee on Finance.
- Extend the ACCESS portal to employment services with an FSET referral and single sign-on with the Job Center of Wisconsin.
- Move the programs state law alone can move, using the biennial budget bill as the vehicle.
- Require DHS, DCF, and DWD to publish shared performance metrics on processing time, cost per case, and improper payment rate.
- Pursue a federal waiver letting the state workforce board carry out the functions of the eleven regional boards, and seek a permanent amendment to WIOA.

Wisconsin does not need to choose between an expensive reorganization and leaving a fragmented system in place. The Legislature's most valuable near-term role is to direct the agencies to establish what authority they already have, use it, and report the results in terms the public can judge.

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Wisconsin's welfare and workforce programs are split across three state agencies and eleven regional workforce boards, and a person who needs more than one of them still moves between systems that were built and are administered separately. What follows lays out what the law actually requires and what the next Legislature can do about it.

What the Law Requires

The findings of this analysis suggest that Wisconsin's options for reform fall into different categories of legal difficulty that are not often covered in public discussion of welfare and workforce development integration. Some reforms only need the approval of an agency secretary, while others would need new statutes and the governor's signature. Some prominent reform recommendations would require federal approval or a congressional act.

The last is the "single workforce area" designation, which would let one state board replace Wisconsin's eleven regional workforce boards. The federal Workforce Innovation and Opportunity Act of 2014 reserves single workforce area designation for states that already held it under the Workforce Investment Act of 1998, and Wisconsin never did. A federal waiver could work around this restriction, but only an act of Congress could change it.

Where Programs Actually Get Assigned

Chapter 15 of the Wisconsin Statutes creates DHS, DCF, and DWD in one-sentence provisions. These sections establish that each department exists under the direction and supervision of its secretary. They do not say which benefit programs must reside in which department. That assignment happens separately, in the program chapters (46, 48, 49, and 108).

Today's Structure Came From a Budget Bill

DHS and DCF did not always exist as separate agencies. Until 2008 they were combined as the Department of Health and Family Services. The split, along with the reassignment of several welfare programs, was accomplished through 2007 Wisconsin Act 20, Wisconsin's 2007-09 biennial budget act. Wisconsin restructured this system through the budget process that occurs every two years, not through a standalone reorganization bill.

Most Programs Can Be Moved by Statute

FoodShare eligibility, FoodShare Employment and Training (FSET), W-2, Wisconsin Shares, and Emergency Assistance are each assigned to their current agency through a statutory definition of "the department" within chapter 49. In many cases that placement can be amended without changing the program's operational mechanisms, such as how benefits are calculated and who qualifies.

A Few Placements Require Federal Re-Designation

Medicaid eligibility, unemployment insurance, and the federal side of FSET have an additional layer. Each of those programs requires the state to name a specific single state agency to the federal government. Moving these would require both a state statutory change and a formal federal redesignation.

Federal Law Does Not Require Three Agencies

Federal law does not prevent these programs from being administered through the same agency. Medicaid law requires a state to designate a single state agency to administer the program. It does not specify which agency, and nothing prevents that designation from naming a consolidated department. FoodShare and unemployment insurance work the same way. Utah did this consolidation through legislation enacted in 1996, which merged programs from five separate state agencies into a single Department of Workforce Services.

The Limits of Data Sharing Are Unmapped

Wis. Stat. section 49.83, titled "Limitation on giving information," prohibits using or disclosing applicant and recipient information "for any purpose not connected with the administration of the programs," with narrow exceptions. Whatever room for sharing exists lies in that undefined phrase, "connected with the administration of the programs." Medicaid has its own confidentiality law, and FoodShare is governed by separate federal rules that allow sharing with means-tested programs but not clearly with job services.

How much data sharing these rules actually allow, and how much of it the Department of Health Services, the Department of Children and Families, and the Department of Workforce Development already do, has not been made public.

Figure 1: Difficulty Tiers for Reform

Tier	What's Needed	Example
A	Existing agency authority, once inventoried	A DHS-DCF data sharing agreement covering whatever s. 49.83 already permits
B	State legislation (budget-bill scale)	Amending the chapter 49 definitions of "the department" to move FoodShare, W-2, Wisconsin Shares, FSET, or Emergency Assistance to another agency
C	State law plus federal re-designation	Moving Medicaid eligibility, unemployment insurance, or the federal side of FSET, each of which also requires re-designating the single state agency with the federal government
D	Federal waiver	Replacing or reducing the eleven regional workforce boards under WIOA's general waiver authority

Recommendations

1. Establish what the data sharing law already allows

Before the Legislature decides whether to expand cross-program data sharing, it needs to know how much sharing current law already permits and how much the agencies already do. The Legislature should direct DHS, DCF, and DWD to complete a legal inventory and report to the Joint Committee on Finance. The report should state what current law allows and identify any statutory amendment needed to go further. If the law is the constraint, the Legislature should act.

2. Extend the ACCESS portal to other employment services

An ACCESS application already covers more than ten programs, including FoodShare, BadgerCare Plus, Medicaid, Wisconsin Shares, Emergency Assistance, W-2, which provides employment preparation and case management, and Job Access Loans, which are short-term, no-interest loans for work expenses like transportation and uniforms.

What ACCESS does not appear to reach is the rest of the workforce system. FSET is the state's largest employment and training program for FoodShare members. Additionally, job training funded through the Workforce Innovation and Opportunity Act runs through the eleven regional boards and the Job Center of Wisconsin, a separate front door for workforce development.

The state should place an FSET referral request on the FoodShare application itself and give DWD's job center system a shared account and single sign-on with ACCESS. Neither step moves a program between agencies, and both would allow for greater visibility.

3. Move the programs state law alone can move

The chapter 49 definitions that assign FoodShare, W-2, Wisconsin Shares, FSET, and Emergency Assistance to their current departments can be amended without touching eligibility rules or benefit levels. Aligning the programs that serve the same household, particularly child care assistance and work programs, is a low-cost, high-value change.

4. Use the biennial budget as the vehicle for statutory change

Using the budget follows the state's own precedent from the 2007 creation of DCF and the reassignment of major programs among agencies. That was accomplished through the budget bill, not a freestanding reorganization statute. Packaging the definitional changes identified above into the budget process would be consistent with how Wisconsin has actually restructured this system before.

5. Publish shared performance metrics across agencies

Wisconsin lacks comparative, comprehensive, and holistic performance data for these programs. Depending on the program, each agency reports to a different federal agency on a different timeline: DWD against federally set workforce outcome indicators, DHS against a federal payment accuracy standard and its own application processing deadlines, and DCF against many contract measures for W-2.

None of these can holistically answer how long it takes a Wisconsin household to get help, what that help costs to deliver, and what the long-term rate of self-sufficiency is.

The Legislature should require DHS, DCF, and DWD to report three measures on the same schedule, using the same definitions, across every program each administers: average time from application to a decision, administrative cost per case, and the improper payment or improper determination rate. It should further require that these be reported by program and, if the data allow, by household, so the state can see how often the same family appears in more than one system and how long each of those systems takes. Without this, future legislatures cannot evaluate whether any of these reforms worked.

6. Pursue a workforce area waiver

Creating a single agency that administers welfare and workforce development would make evaluating the combined effort of the various welfare and workforce development programs much easier. To accomplish this, the state should seek a federal waiver allowing the state board to carry out the functions of the eleven regional workforce boards, and should ask Wisconsin's congressional delegation to pursue an amendment to WIOA that would allow a "single state" area designation. The waiver is legally available now but requires a determined governor; the amendment would make the change permanent.

Conclusion

The next Legislature has many reorganizational choices that would improve Wisconsin's welfare and workforce development system. Much of what would meaningfully improve Wisconsin's welfare and workforce administration is available through state reforms without permission from the federal government.

Most of these reforms do not require a new statute. They require the Legislature to direct the agencies to determine what authority current law already gives them, and to report the findings publicly along with the metrics by which success will be measured. Done well, this produces a system in which a person who loses a job and needs public assistance can follow one clear and efficient path back to self-sufficiency.



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