



Legislative Fiscal Bureau

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May 30, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Budget Issue Papers

Attached are budget issue papers, prepared by this office, on the following agencies:

- Department of Workforce Development -- Departmentwide
- Department of Workforce Development -- Employment and Training Programs and Services
- Department of Public Instruction (excluding Interdistrict School Choice Programs)

These agencies have been scheduled for executive action by the Joint Committee on Finance. The meeting will be held at 9:00 a.m. on Tuesday, June 3, in 119 MLK Building, Joint Finance (back of Senate Chambers).

BL/sas
Attachments

1997-99 BUDGET PAPERS

June 3, 1997

Paper #

Workforce Development -- Departmentwide

955 Base Budget Modifications -- Division of Vocational Rehabilitation

Workforce Development -- Employment and Training Programs and Services

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663 School District Debt Service Costs

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666 Aid for School Districts With Low-Income Students

667 State Tuition Payments Reestimate

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671 Charter Schools -- Statewide Changes

672 Minor Policy and Technical Changes -- Postsecondary Enrollment Options Program

673 Postsecondary Enrollment Options Program -- UW and Private Colleges

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675 Reestimate of GPR Revenue from MA Reimbursement for School Based Services

Workforce Development

Departmentwide

(LFB Budget Summary Document: Page 663)

LFB Summary Item for Which an Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
2	Base Budget Modifications -- Division of Vocational Rehabilitation (Paper #955)

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Base Budget Modifications--Division Of Vocational Rehabilitation (Workforce Development -- Departmentwide)

[LFB Summary: Page 664, #2]

CURRENT LAW

Under current law, the Division of Vocational Rehabilitation (DVR) in the Department of Workforce Development (DWD) is required to advise and assist any handicapped individual who applies to DVR for vocational rehabilitation services. Rehabilitation services provided by Division staff include individual assessments and evaluations, developing individualized, written rehabilitation programs, and securing and supervising services, such as vocational training, that are part of an individual's vocational rehabilitation program. The individual rehabilitation programs are designed to assist the person to become capable to compete in the labor market, practice a profession, be self-employed, raise a family and make a home, and participate in sheltered employment or other gainful work.

Under Title I-B of the federal Vocational Rehabilitation Act, state funding of 21.3% is required as a match to federal funding of 78.7% for vocational rehabilitation services which move a handicapped person toward employment.

GOVERNOR

Delete \$604,300 GPR and provide \$500,000 PR annually to reflect actions that would reduce GPR base level expenditures for the Division of Vocational Rehabilitation (DVR). The specific actions would be:

a. Provide \$500,000 PR annually to reflect estimated increases in third-party contributions for vocational rehabilitation case services and reduce funding for vocational rehabilitation case services by \$500,000 GPR annually to reflect the increased third-party contributions.

b. Delete \$104,300 GPR annually to reduce supplies and services funding for DVR.

Senate Bill 77 did not include any additional program revenue to reflect third-party contributions that would offset the reduced GPR supplies and services funding. However, DWD indicates that it anticipates an additional \$104,300 PR in third-party matches annually.

DISCUSSION POINTS

1. Federal funding for state vocational rehabilitation case services is provided from the Rehabilitation Services Administration of the U.S. Department of Education which also establishes the regulations under which the program operates. The federal regulations are intentionally flexible, particularly in the types of rehabilitation services which may be provided to address each individual's disability. Handicapped individuals apply for services at one of the 21 DVR field offices and staff counselors arrange medical and other evaluative services to determine eligibility, and for subsequent rehabilitation services for those deemed to be eligible. The field staff develop individual rehabilitation plans, provide guidance and counseling, and in some cases, job placement services. Other services can include transportation, training and education at technical schools, and occupational licenses, tools, equipment and supplies. Senate Bill 77 would budget \$11,237,654 GPR and \$41,410,400 FED in federal fiscal year 1998 and \$11,307,700 GPR and \$41,779,900 FED in federal fiscal year 1999 for central and field office staff administrative and service expenses.

2. DVR also contracts with governmental units for specific rehabilitation services needed for individual rehabilitation plans. Counselors generally submit plans for services for individual clients and the plans are reviewed to determine those needs. DVR then contracts with governmental units to provide services to address client needs. For example, DVR could contract for interpreter services offered by a technical college. The interpreter services would be used for coursework required under the individual's rehabilitation plan. DVR could also contract with a technical college to provide a tutor for an individual with a learning disability. The governmental units can contract with a private, nonprofit organization to provide these services and the matching funds. However, basic assessments for determining the eligibility of an individual must include state matching funds; a local governmental unit cannot provide a match to fund those assessments. The bill budgets \$1,285,500 in matching funding and \$4,749,200 FED for federal fiscal year 1998 and \$1,435,400 in matching funds and \$5,303,400 FED in federal fiscal year 1999.

3. Federal Title I-B funds are allocated to states based on the relative proportion of the population that is eligible for vocational rehabilitation services compared to other states. In addition, a state may request additional funds from allocations not expended in other states, provided that the state has obtained third-party matching funds at the time of the request. Table 1 provides information on Wisconsin's initial Title I-B allotment and additional funds that were reallocated to Wisconsin from other states. In each year, more federal reallocated funds could have been obtained if third-party matches were provided. Note that the state has not received any reallocated federal funds since federal fiscal year 1994. Some argue that this indicates that the Division is not obtaining all federal matching funds that are available.

TABLE 1

Allocation of Federal Title I-B Vocational Rehabilitation Funds to Wisconsin

<u>Federal Fiscal Year</u>	<u>Initial Allotment</u>	<u>Reallocation from Other States</u>	<u>Total Award</u>
1990	\$32,232,144	- \$300,000	\$31,932,144
1991	34,226,774	671,989	34,898,763
1992	37,795,558	250,000	38,045,558
1993	39,575,071	379,929	39,955,000
1994	41,267,624	357,376	41,625,000
1995	42,689,652	0	42,689,652
1996	43,554,495	0	43,554,495
1997	44,685,584	0	44,685,584
1998	46,160,208	0	46,160,208
1999	47,083,400	0	47,083,400

4. In 1995 Wisconsin Act 27 (the 1995-97 biennial budget), DVR was required to reduce GPR expenditures by \$500,000 annually and substitute \$500,000 PR from third-party payments for the state match for federal Title I-B grant monies. In addition, DWD (then DILHR) was directed to report to the Joint Committee on Finance, at the June, 1997, meeting under s. 13.10, on: (a) the extent of the waiting list for vocational rehabilitation services; (b) the amount of third-party funding that will be available as the match to federal funds in that fiscal year, including the source of the third-party funds; (c) if additional funding is necessary to fully capture available federal funds, the sources of funding that could be reallocated within the Department's budget to maximize federal funding; and (d) how the Department is complying with current statutory provisions to provide services to all persons with a handicap who request vocational rehabilitation. Although this report has not yet been issued, the Department indicates that it was able to obtain sufficient third-party matching funds to offset the required reduction in GPR funding.

5. Under the Governor's recommendation, \$500,000 in each year would be converted from GPR to PR to reflect the use of additional third-party payments, rather than state GPR, for a portion of the required match for the federal vocational rehabilitation services grant. In addition, \$104,300 in GPR supplies and services administrative funding would be eliminated in each year.

6. Table 2 provides information for federal fiscal years 1995 through 1999 on estimated federal funds, third-party matching funds, total funding for case services and the percentage of total funding attributable to third-party matching funds. In federal fiscal year 1995, approximately 8.7% of total services was funded from third-party matching funds. The percentage increased to about 10% in federal fiscal year 1996 and 13.9% in 1997. In part, this reflects the substitution of third-party matches for state GPR that was required under the provisions of Act 27. Note that total funding for vocational rehabilitation services decreased between federal fiscal years 1995 and 1996. Under the provisions of SB 77, the percentage is estimated to increase again in federal fiscal years 1998 and 1999 to approximately 19.4% and 21.1%, respectively. Although the use of existing expenditures as the state match may continue to allow the state to capture federal vocational rehabilitation funds, the reduction of \$604,300 GPR annually will decrease the amount of funding available for vocational rehabilitation programs.

TABLE 2

Third-Party Related Funding and Total Funding for Vocational Rehabilitation Services Under Senate Bill 77

<u>Fiscal Year</u>	<u>3rd-Party Match</u>	<u>Federal Matching Funds</u>	<u>Total 3rd-Party Funds</u>	<u>Total Case Services</u>	<u>3rd-Party Funding as a Percent of Total Services</u>
1995	\$607,100	\$2,243,000	\$2,850,100	\$32,818,300	8.68%
1996	659,400	2,436,300	3,095,700	30,794,100	10.05
1997	923,500	3,412,200	4,335,700	31,128,200	13.93
1998	1,285,500	4,749,800	6,035,300	31,128,200	19.39
1999	1,435,400	5,303,400	6,738,800	31,831,758	21.12

7. Prior to 1995, the Department provided services to all eligible persons with a disability, regardless of the severity of their disabilities. Under federal legislation enacted in 1990 and implemented in 1994, however, the Department may establish priorities for the provision of services based on the severity of a disability; persons classified as less severely disabled may be suspended from receiving vocational rehabilitation services. These individuals

would become eligible if sufficient funding was provided for services. Although state law requires the Department to provide services to all persons, beginning in December, 1994, DVR initiated the use of a priority system to distribute services based on available funding. Currently, about 500 persons, or approximately 2.3% of clients, who are disabled and eligible are suspended from receiving vocational rehabilitation services. These persons have one to three non-severe limitations and may or may not require multiple services over an extended period of time. At the current level of funding, it is unlikely that persons on the waiting list will receive vocational rehabilitation services. Moreover, the increasing need to obtain third-party matching funds could limit the Division's ability to provide individual services to clients. Instead, staff would have an incentive to provide services that would generate matching funds rather than address specific individual needs.

8. In view of the implementation of a priority method to provide services, it is likely that, with reduced funding, an increasing number of persons with a disability will be placed on a waiting list for vocational services. Lower overall funding would occur if sufficient third-party funds are not available to match federal funds and if GPR funds deleted under the Governor's recommendation are replaced solely with existing expenditures from other state programs. In addition, with more limited state funding, Wisconsin could forego a portion of its initial allocation and could be prohibited from receiving funds reallocated from other states due to the lack of the required state match.

9. At a maximum, if DVR is unable to obtain \$500,000 in matching funds for the reduced case service funding, the state could lose \$1,847,400 in federal matching funds for vocational rehabilitation services in each year of the 1997-99 biennium. Similarly, if DVR is unable to obtain \$104,300 in matching funds for the reduced supplies and services funding, the state could lose \$385,400 in federal matching funds each year. In total, the maximum reduction to vocational rehabilitation services would be \$1,208,600 GPR and \$4,465,578 FED in the 1997-99 biennium.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation to convert \$500,000 from GPR to PR in each year to reflect the use of third-party payments, rather than state funds, for a portion of the required match for the federal vocational rehabilitation services grant. Also, delete \$104,300 GPR annually in supplies and services funding and provide \$104,300 PR to reflect third-party matches.

<u>Alternative 1</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	- \$1,208,600	\$1,208,600	\$0
[Change to Bill]	\$0	\$0	\$0

2. Delete \$104,300 GPR annually in supplies and services funding but continue to fund case services at base level and provide \$104,300 PR annually to reflect third-party matches.

<u>Alternative 2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	- \$208,600	\$208,600	\$0
[Change to Bill]	\$1,000,000	- \$1,000,000	\$0

3. Maintain current law.

<u>Alternative 3</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$0	\$0	\$0
[Change to Bill]	\$1,208,600	- \$1,208,600	\$0

Prepared by: Ron Shanovich

See motion #2008 w/AIT-#1

<u>MO#</u>			
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE _____ NO _____ ABS _____

WORKFORCE DEVELOPMENT

Motion:

Move to authorize the Department of Workforce Development to request GPR funding from the Joint Committee on Finance under s. 13.10 if matching funding is not available to offset the reduction in GPR funding included in SB 77.

MO# 0000 w/AIT#1

2 JENSEN	X	N	A
OURADA	X	N	A
1 HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS _____

#0000

WORKFORCE DEVELOPMENT -- DIVISION OF VOCATIONAL REHABILITATION

Case Services Aids

Motion:

Move to direct the Division of Vocational Rehabilitation (DVR) to amend the state Title I-B plan to authorize establishment, development and improvement grant authority. Appropriate \$1 million annually of federal funding received by DVR to provide for establishment, development and improvement grants as authorized under Title 1, Section 103(b)(2) of the federal Rehabilitation Act of 1973 as amended through 1994. Require financial participation of Community Rehabilitation programs in the form of cash equaling 25% of each grant. Authorize DVR to use the balance of funds for other authorized activities, if the Division, in coordination with Community Rehabilitation programs, is unable to appropriate the entire \$1.0 million in establishment, development and improvement grants.

Note:

Under current law, DVR is required to advise and assist any person with a handicap who applies to the Division for vocational rehabilitation services. Rehabilitation services provided by Division staff include individual assessments and evaluations, developing individualized written rehabilitation programs, and securing and supervising services, such as vocational training, that are part of an individual's vocational rehabilitation program. The individual rehabilitation programs are designed to assist the person to become capable to compete in the labor market, practice a profession, be self-employed, raise a family and make a home, and participate in sheltered employment or other gainful work.

Under Title I-B of the federal Vocational Rehabilitation Act, state funding of 21.3% is required as a match to federal funding of 78.7% for vocational rehabilitation services which move a handicapped person toward employment.

DVR also contracts with governmental units for specific rehabilitation services needed for individual rehabilitation plans. For example, DVR could contract for interpreter services offered by a technical college. The interpreter services would be used for coursework required under the individual's rehabilitation plan. The governmental units can subcontract with a private nonprofit organization to provide these services.

Under SB 77, \$500,000 GPR in rehabilitation case services funding would be converted to PR to reflect the use of third-party payments, rather than state GPR, for a portion of the required match for the federal vocational rehabilitation services grant. In addition, \$104,300 GPR in supplies and services funding would be eliminated in each year.

This motion would direct DVR to amend Wisconsin's federally required state plan to provide for establishment, development and improvement grant authority and to allocate \$1.0 million annually for services from Community Rehabilitation programs. The Community Rehabilitation programs would be required to provide a cash match of 25% or a total of \$250,000 for the \$1.0 million in federal funds. If sufficient matching funds could not be generated by the Community Rehabilitation programs the Division would be authorized to use the federal funds for other services.

[Change to Base: \$2,000,000 FED]
 [Change to Bill: \$2,000,000 FED]

MO# 1766

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
ZKAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A
BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS _____

WORKFORCE DEVELOPMENT

Nondiscrimination Against Religious Organizations

Motion:

Move to create statutory provisions relating to nondiscrimination against religious organizations as follows:

Purpose. Specify that the purpose of these provisions is to enable the Department of Workforce Development (DWD) to contract with, or distribute grants to, religious organizations on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of services funded under such programs.

Nondiscrimination Against Religious Organizations. Specify that if DWD is authorized to distribute any grant to, or contract with, a nongovernmental entity, that nongovernmental entity can be a religious organization as long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Prohibit DWD from discriminating against an organization on the basis that the organization has a religious character.

Religious Character and Freedom. Specify that a religious organization that receives a grant from, or contracts with DWD retains its independence from federal, state and local governments, including such organization's control over the definition, development, practice and expression of its religious beliefs.

Prohibit DWD from requiring a religious organization to: (a) alter its form of internal governance; or (b) remove religious art, icons, scripture, or other symbols as a condition of contracting with, or receiving a grant from DWD.

Rights of Beneficiaries of Services. Specify that if an individual has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded from a program supported with funding administered by DWD, DWD would provide the individual (if otherwise eligible for such assistance), within a reasonable period of time after the date of such objection, services from an alternative provider that is accessible to the individual and the value of which is not less than the value of the services which the individual would have received from such organization.

Employment Practices. Specify that a religious organization's exemption provided under 42 U.S.C. 2000e-1a regarding employment practices are not affected by its participation in programs administered by DHFS.

Nondiscrimination Against Beneficiaries. Prohibit a religious organization from discriminating against an individual in regard to rendering services funded under any DWD program on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

Fiscal Accountability. Specify that any religious organization that receives grant funding from, or contracts with DWD is subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs. If such an organization segregates funding from DWD into separate accounts, only the financial assistance provided with such funds would be subject to an audit.

Compliance. Specify that any party that seeks to enforce its rights may assert a civil action for injunctive relieve in an appropriate court against the entity or agency that allegedly commits such violation.

Limitations on Use of Funds for Certain Purposes. Prohibit any agency that receives funding from DWD to expend any of those funds for sectarian worship, instruction or proselytization.

Preemption. Specify that nothing in these provisions should be construed to preempt any other provision of state law, federal law or the Constitution that prohibits or restricts the expenditure of state funds in or by religious organizations.

Note:

This motion would create statutory provisions relating to DWD programs administered by religious organizations that are similar to nondiscrimination provisions contained in the recently-enacted federal welfare legislation (P.L. 104-193).

3220
 MOF

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

2 BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS

WORKFORCE DEVELOPMENT

Departmentwide

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments
3	Allocating Pay Plan Costs
4	Allocating Overtime Costs and Night Differential Costs
5	Position Reduction
6	Internal Department Reorganization
7	Technical Corrections to Base Position Levels

MO#	<u>Items</u>			
2	JENSEN	X	N	A
	OURADA	X	N	A
	HARSDORF	X	N	A
	ALBERS	X	N	A
	GARD	X	N	A
	KAUFERT	X	N	A
	LINTON	X	N	A
	COGGS	X	N	A
	BURKE	X	N	A
	DECKER	X	N	A
	GEORGE	X	N	A
	JAUCH	X	N	A
	WINEKE	X	N	A
	SHIBILSKI	X	N	A
	COWLES	X	N	A
	PANZER	X	N	A

AYE 16 NO 0 ABS _____

Workforce Development

Employment and Training Programs and Services

(LFB Budget Summary Document: Page 665)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	Transfer of Certain School-to-Work Programs to DWD (see Paper #668)
2	Youth Apprenticeship Training Grants (Paper #960)
3	Support to Career Counseling Centers (Paper #961)
13,14	Wisconsin Conservation Corps -- Funding Source Conversion and Full Funding of Crew Costs (Paper #962)
17a	Wisconsin Conservation Corps -- Education Voucher Increase (Paper #963)

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE**Youth Apprenticeship Training Grants (Workforce Development -- Employment and Training Programs and Services)**

[LFB Summary: Page 668, #2]

CURRENT LAW

The youth apprenticeship program provides grants to public agencies and nonprofit organizations that administer youth apprenticeship programs for the purpose of awarding grants to employers who provide on-the-job training and supervision to youth apprentices. A grant may not exceed 50% of the youth apprentice's hourly wage, or \$4 per hour, whichever is less, for not more than 500 hours of work per youth apprentice in any school year. Base level funding for youth apprenticeship training grants is \$380,000.

GOVERNOR

Provide \$420,000 GPR in 1997-98 and \$920,000 GPR in 1998-99 to increase funding for youth apprenticeship employer training grants. The Department would be specifically authorized to award grants directly to employers for each youth that received at least 180 hours of paid on-the-job training from the employer during the school year. In addition, the maximum training grant would be limited to \$500 per year and a grant could not be awarded for a specific youth apprentice for more than two school years.

DISCUSSION POINTS

1. The youth apprenticeship program provides high school juniors and seniors with the option of enrolling in a two-year program combining academic classroom work with on-the-job training in specific occupational areas. Occupational programs are based on industry skills standards. Pupils who complete the program receive an occupational proficiency or skills certificate in addition to their high school diploma.

2. DWD's Division of Connecting Education and Work administers the program with the assistance of DPI and the Wisconsin Technical College System (WTCS) Board. Staff from the three agencies work with schools, WTCS districts, employers and labor to form local steering committees and set up local youth apprenticeship programs. Schools and WTCS districts provide the academic component of the program through a curriculum developed at the state level. Employers hire youth apprentices for the two school years, pay them at least minimum wage, provide on-the-job training in the occupational clusters set by the statewide curriculum and provide a skilled mentor for youth apprentices.

3. DWD approves occupations for the youth apprenticeship program and contracts with the WTCS districts, local school districts or the UW for the development of curricula for occupations approved for the program. The first occupations developed for the program were printing in 1992-93 and financial services in 1993-94. As of May, 1997, 14 curricula had been completed. Table 1 lists these curricula with the implementation year and number of pupils enrolled for fiscal year 1996-97.

TABLE 1

Youth Apprenticeship Curriculum and Enrollment

<u>Occupation</u>	<u>Year Implemented</u>	<u>1996-97 Enrollment</u>
Graphic Arts/Printing (Flexography, Offset, Roto Gravure, Screen)	1992	120
Financial Services	1993	231
Auto Technician	1994	197
Biotechnology	1994	23
Drafting and Design/Architecture	1994	5
Health Services	1994	289
Hotel & Motel Operations	1994	25
Insurance	1994	0
Manufacturing/Machining	1994	118
Auto Collision	1995	29
Drafting & Design/Engineering	1995	19
Drafting & Design/Mechanical Design	1995	6
Manufacturing/Production Technician	1995	35
Tourism	1996	3
Total		1,100

4. The Governor has established a goal of enrolling 5,000 youth apprentices and involving 4,000 businesses in the Wisconsin youth apprenticeship program by the year 2000. DWD indicates that, in order to secure sufficient employer participation to support the necessary number of jobs for youth apprentices, incentives are needed to offset the employer's investment in young, untrained workers. Costs that are incurred by participating employers include: training expenses; purchases of tools, special equipment and uniforms; worker's compensation insurance payments; and a risk that the youth will move to another employer once the apprenticeship program is completed. According to DWD, employers have estimated that the cost of training can be as high as \$20,000 over two years. DWD argues that the grants that have been provided over the past two biennia have been effective in encouraging employers to hire youth apprentices. In particular, the grants have been important incentives for recruiting small businesses to participate in the program. It is argued that many small businesses would not be able to participate without the grants.

5. According to DWD, a recent survey of employers participating in the program indicated that about one-third of employers participating in the program would not have participated if the grant had not been available. Moreover, the survey showed that employers with less than 100 employees were considerably less likely to participate without the grants. Forty-one percent of these businesses indicated that they would not have participated without a grant compared to 20% for larger firms. In addition, about 92% of the employers participating in the program apply for and receive grants. These employers also indicated that the grants are an important element of the program and should continue to be supported.

6. As noted, the current training grant formula awards grants that are the lesser of 50% of the youth apprentice's hourly wage or \$4 per hour. Also, the employer cannot receive training grants for more than 500 hours of work for each youth apprentice in any school year. Because the current grant formula is based, in part, on hours worked, the total amount of annual funding that is needed for the grants is not known until all apprentice costs have been incurred and calculated. As a result, the Department does not know the total cost of a grant until after it is awarded. This has created a cost control and planning problem for DWD. Consequently, the Governor has recommended that each youth apprenticeship training grant be set at \$500 per year and that a grant could not be awarded for more than two years.

7. DWD indicates that, in order to continue expansion of the program and to reach the Governor's goal of 5,000 youth apprentices by the year 2000, grants for approximately 1,500 to 2,500 apprentices will be necessary for the 1997-99 biennium.

8. Youth apprenticeship training grants were created in 1993 Wisconsin Act 16 (the 1993-95 biennial budget). Table 2 shows the total and average grants and number of participating students and businesses for fiscal years 1993-94 through 1996-97 (the 1996-97 figures are estimates.) The table shows that grant expenditures increased from \$133,630 for 117 students (average grant of \$1,142) to \$579,300 for 730 students in 1995-96 (average grant of

\$794). Total grants then decreased to an estimated \$319,600 for 600 students in 1996-97 (average grant of \$533).

TABLE 2

Youth Apprenticeship Training Grants

<u>Fiscal Year</u>	<u>Total Grants</u>	<u>Number of Students</u>	<u>Average Grant</u>	<u>Number of Employers</u>	<u>Total Number of Students</u>
1993-94	\$133,630	117	\$1,142	73	119
1994-95	356,390	348	1,024	190	382
1995-96	579,300	730*	794	712	838
1996-97**	319,660	600*	533	750	1,100

*Grants were limited to first-year students beginning in January, 1995.

**Estimates.

9. Under the provisions of SB 77, total funding for youth apprenticeship grants would be \$800,000 GPR in 1997-98 and \$1,300,000 GPR and the maximum grant will be \$500 per youth apprentice. These funding levels would provide maximum grants for first and second year wages of 1,600 youth apprentices, beginning in 1997-98 and grants for another 1,000 youth apprentices in 1998-99. Thus, maximum grants could be provided for 2,600 youth apprentices in 1998-99.

10. As Table 2 shows, participation in the youth apprenticeship program has generally continued to increase each year even though the average grant decreased. Thus, some would argue that the size of the grant is not a decisive factor for most businesses in deciding to participate in the program. The DWD survey indicated that this was true for 70% of the businesses that were contacted. In addition, DWD has indicated that some businesses expend up to \$20,000 to train a youth apprentice. At this level, it is difficult to contend that a \$500 grant is a crucial incentive for program participation. Finally, it should be noted that if it is believed that the maximum grant is necessary to attract businesses to participate, then annual funding of \$5.0 million would be necessary for grants to supplement first and second year wages of 5,000 youth apprentices.

11. In its 1997-99 budget request submitted to DOA, DWD requested additional funding of \$370,000 GPR in 1997-98 and \$870,000 GPR in 1998-99. The Department indicated that this funding would secure sufficient employer participation to achieve Governor's goal of 5,000 youth apprentices in the program in 2000. The Committee could provide these amounts instead of the funding provided in SB 77.

12. In 1995 Act 27 (the 1995-97 biennial budget) the Legislature reduced base level funding for youth apprenticeship grants from \$500,000 to \$380,000. In addition, some of this funding was used for grants in 1995-96. Despite the reduced funding, total participation in the youth apprenticeship program increased from 838 students and 712 businesses in 1994-95 to an estimated 1,100 students and 750 businesses in 1996-97. The Committee could provide base level funding in each year. However, this would only provide funding for maximum grants for 760 students.

13. As noted, DWD indicates that participation by 2,500 students during the 1997-99 biennium would move the youth apprenticeship program toward the Governor's goal of 5,000 participating students in the year 2000. However, the funding provided in the bill would be sufficient for maximum grants for 2,600 students in 1998-99. The funding could be reduced and still ensure that maximum grants would be available for 2,500 youth apprentices in 1998-99. Additional funding of \$310,000 GPR in 1997-98 and \$770,000 in 1998-99 would provide maximum grants for first- and second-year wages of 1,380 students beginning in 1997-98 and maximum grants for 920 more students in 1998-99. Assuming that 92% of participants would request grants, the remaining youth apprentices needed to reach 2,500 would be hired by businesses that did not request grants.

14. The bill includes a requirement that businesses which receive grants must hire students for at least 180 hours of paid employment. DWD indicates that for some curricula, particularly tourism businesses, students are hired for a shorter period and then rotate to another employer. DWD has requested that an exception from the 180-hour requirement be allowed for these types of circumstances. As a result, the Committee may wish to authorize DWD to make exceptions to the 180-hour rule in cases where it would be beneficial to allow the student to rotate employment.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$420,000 GPR in 1997-98 and \$920,000 GPR in 1998-99 to increase funding for youth apprenticeship employer training grants. The Department would be specifically authorized to award grants directly to employers for each youth that received at least 180 hours of paid on-the-job training from the employer during the school year. In addition, the maximum training grant would be limited to \$500 per year and a grant could not be awarded for a specific youth apprentice for more than two school years.

<u>Alternative 1</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$1,340,000
[Change to Bill]	\$0

2. Provide \$370,000 GPR in 1997-98 and \$870,000 GPR in 1998-99 to increase funding for youth apprenticeship employer training grants. The Department would be specifically authorized to award grants directly to employers for each youth that received at least 180 hours of paid on-the-job training from the employer during the school year. In addition, the maximum training grant would be limited to \$500 per year and a grant could not be awarded for a specific youth apprentice for more than two school years.

<u>Alternative 2</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$1,240,000
[Change to Bill]	- \$100,000]

3. Provide \$310,000 GPR in 1997-98 and \$770,000 GPR in 1998-99 to increase funding for youth apprenticeship employer training grants. The Department would be specifically authorized to award grants directly to employers for each youth that received at least 180 hours of paid on-the-job training from the employer during the school year. In addition, the maximum training grant would be limited to \$500 per year and a grant could not be awarded for a specific youth apprentice for more than two school years.

<u>Alternative 3</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$1,080,000
[Change to Bill]	- \$260,000]

4. Authorize DWD to provide exceptions from the 180-hour rule in cases where it is beneficial to allow the student to rotate between different jobs.

5. Maintain current law.

<u>Alternative 5</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$1,340,000]

Prepared by: Ron Shanovich

MO# AH#34

JENSEN	X	N	A	BURKE	X	N	A
2 OURADA	X	N	A	DECKER	X	N	A
HARSDORF	X	N	A	GEORGE	X	N	A
ALBERS	X	N	A	JAUCH	X	N	A
GARD	X	N	A	WINEKE	X	N	A
KAUFERT	X	N	A	SHIBILSKI	X	N	A
LINTON	X	N	A	COWLES	X	N	A
COGGS	X	N	A	PANZER	X	N	A
				AYE	<u>H</u>	NO	<u>2</u>
							ABS

WORKFORCE DEVELOPMENT

Youth Apprenticeship Training Grants

Motion:

Move to eliminate base funding of \$380,000 GPR annually and the youth apprenticeship training grant program.

[Change to Base: -\$760,000 GPR]
[Change to Bill: -\$2,100,000 GPR]

MO# 3218

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	Y	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 4 NO 12 ABS _____

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Support to Career Counseling Centers (Workforce Development -- Employment and Training Programs and Services)

[LFB Summary: Page 669, #3]

CURRENT LAW

The career counseling center program was created in 1993 Wisconsin Act 16 to provide grants to nonprofit corporations and public agencies to develop career counseling centers beginning in 1994-95.

GOVERNOR

Modify the statutes to authorize the payment of career counseling center grants from the program revenue unemployment interest and penalty payments appropriation for fiscal years 1997-98 and 1998-99. DWD would be required to allocate \$600,000 from the appropriation in each fiscal year to make grants to career counseling centers. Beginning in the 1999-2000 fiscal year, the PR funds could no longer be used for these grants. (Senate Bill 77 provides statutory authority to use interest and penalty funds for \$600,000 PR in annual grants for career counseling centers but does not provide expenditure authority for the grants.)

DISCUSSION POINTS

1. Any career counseling center funded under the program is required to provide pupils with access to comprehensive career education and job training information, including information regarding technical college programs. The center may also assist pupils in locating

apprenticeship and other work experience opportunities related to the pupil's education. The center is required to coordinate its services with the counseling and guidance activities and the school district's education for employment program.

2. Any nonprofit organization or public agency may apply for a career counseling center grant. The grant may range from 25% to 75% of the total cost of operating the center, but after three years of receiving grant funds, the grant may not exceed 50% of the total cost of operating the center. The grant recipient must provide the remaining share of the total project cost. No grant recipient is guaranteed funding in the second or subsequent years of operation of the centers.

3. Each career counseling center is operated by planning teams that include groups such as private industry councils, WTCS districts, school districts, chambers of commerce, businesses and labor. Each of the career counseling centers services include use of: (a) computerized databases of job opportunities, training agencies and career libraries; (b) career planning computer software; (c) career exploration videos, laser discs, and video conferencing facilities; (d) Job Net and Internet and self-service computer work stations to view job listings; (e) a 1-800 telephone information hotline; (f) access to DWD internet career development system; and (g) seminars. Career counseling centers are places where employers and educators pool resources to assist young people in examining their skills and interests, learn about occupations and job opportunities in various career fields, explore career options and plan careers.

4. Table 1 shows the amount of state GPR and federal funding, under current law, for the career counseling centers from 1994-95 through 1998-99. DWD (then DILHR) allocated \$1.2 million in combined GPR and FED in 1994-95 to establish eight centers in the fall of 1994 and the spring of 1995. As shown in the table, state GPR funding ended in fiscal year 1996-97 and federal grant funding will end in 1998-99.

TABLE 1

**Total State GPR and Federal Funding
for Career Counseling Center Grants**

<u>Fiscal Year</u>	<u>GPR</u>	<u>FED</u>	<u>Total</u>
1994-95	\$600,000	\$600,000	\$1,200,000
1995-96	200,000	850,000	1,050,000
1996-97	0	900,000	900,000
1997-98	0	200,000	200,000
1998-99	0	0	0

5. Table 2 shows the distribution of career counseling grants to each of the eight centers for fiscal year 1996-97.

TABLE 2

Career Counseling Center Grants, 1996-97

<u>Location</u>	<u>Grant Amount</u>	<u>Operation Start Date</u>
Appleton area	\$144,000	Fall, 1994
Ashland area	100,000	Fall, 1994
Milwaukee County	180,000	Fall, 1994
West Bend area	104,000	Fall, 1994
Green Bay area	95,000	Spring, 1995
La Crosse area	88,000	Spring, 1995
Madison area	119,000	Spring, 1995
Waukesha County	<u>70,000</u>	Spring, 1995
Total	\$900,000	

6. As noted, state GPR funding for career counseling centers was eliminated in 1996-97 and federal funding will be eliminated in 1998-99. DWD indicates that, even though the eight centers are able to generate varying degrees of local support, there is little consistency from center to center and none of them appear capable of continuing for any sustained period without a steady source of revenue. The Department believes it is necessary to identify a funding source which can be used to replace the federal funding as well as to provide a state contribution on an ongoing basis.

7. In its 1997-99 budget submitted to DOA, the Department requested \$680,000 GPR in 1997-98 and \$628,800 GPR in 1998-99 to provide funding for career counseling centers. To receive funding, each center would have been required to enter into a formal written agreement with each school in its service area which included: (a) a provision that the center's board of directors have 40% of its membership represent schools served by the center; (b) a provision requiring each school to make a specified contribution to the center; (c) authority for the center to enter into agreements for in-kind contributions from schools; and (d) a plan for increasing cooperation and integration of the center's programs with current school programs.

8. Senate Bill 77 would authorize the Department to allocate \$600,000 from the unemployment interest and penalty payments appropriation for fiscal years 1997-98 and 1998-99. The sources of funds for the appropriation are: (a) employer penalties for failure to submit or late submission of UC reports, such as quarterly wage reports; and (b) interest assessed against employers for each month required UC payments are delinquent. As noted, the bill does not

provide expenditure authority for \$600,000 PR for the career counseling center grants from the appropriation. Consequently, the Committee may wish to modify the bill to provide the expenditure authority.

Currently, the appropriation is used to fund: (a) unemployment research; (b) administration of employment service programs; (c) administration of unemployment insurance programs; (d) to make certain interest payments, such as interest to employers who have erroneously paid UC benefits; and (e) payments to the federal government for incorrectly paid UC benefits (federal audit exceptions). Funding is annually transferred from the interest and penalty appropriation to the unemployment reserve fund research appropriation and employment security administration appropriation for the research and administrative activities related to those appropriations. Under the bill, a total of 16.50 positions would be funded from those appropriations.

9. Under the provisions of 1993 Wisconsin Act 16 (the 1993-95 biennial budget) monies from the interest and penalties appropriation were lapsed to the general fund to provide GPR funding for career counseling centers, youth apprenticeship training grants and the Office of Workforce Excellence in DWD (then DILHR). In addition, funds from the interest and penalty appropriation have been used to purchase telecommunications equipment for unemployment insurance initial claims and to purchase employment security buildings.

10. Table 3 shows the estimated balances in the unemployment insurance interest and penalty appropriation for each year of the biennium, under the provisions included in SB 77 (including the appropriation of \$600,000 annually for career counseling center grants). The table shows that there would be sufficient revenue to fund the expenditures authorized from the appropriation under SB 77 and to provide \$600,000 annually for career counseling centers. However, the year-end balance in the appropriation would decrease from almost \$1.7 million in 1996-97 to about \$342,000 in 1998-99. In order to ensure a 1998-99 year-end balance of approximately \$1 million, the Committee could limit the amount of expenditure authority for career counseling center grants to \$300,000 annually. This would provide one-half of the Governor's recommended level of funding and generate a 1998-99 year-end balance comparable to that for recent years. Alternatively, \$200,000 could be provided in 1998-99. This amount would provide the same level of funding in 1998-99 as is provided from the federal grant in 1997-98.

TABLE 3

Unemployment Interest and Penalty Payment Appropriation Balance

	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$1,686,700	\$908,300
Program Revenue	<u>1,950,000</u>	<u>1,950,000</u>
Total Revenue	\$3,636,700	\$2,858,300
Transfer to Employment Security Admin.	1,597,100	1,381,200
Transfer to Unempl. Reserve Fund Research	<u>285,300</u>	<u>289,200</u>
Revenue After Transfers	\$1,754,300	\$1,187,900
Appropriation Expenditures	<u>846,000</u>	<u>846,000</u>
Closing Balance	\$908,300	\$341,900

11. There a number of reasons given for maintaining a balance in the interest and penalty appropriation. As noted, the appropriation currently funds 13.5 positions that provide employment services to UC claimants and for 3.0 positions that conduct research on UI issues. The appropriation also provides a backup for UC administrative funding and funds certain benefit payments for employes of nonprofit organizations and interest payments to employers that erroneously pay UI contributions. Finally, the appropriation funds payments DWD must make to the federal government to satisfy certain audit findings.

12. Career counseling center grants were initially viewed as seed money with the local sponsors of the centers funding all of the costs of the centers after three years. When funding was first provided in 1994-95, the Department indicated that the centers would be funded at 75% of costs in the first year, 50% of the costs in the second year, 25% of the costs in the third year and none of the costs after the third year. From this view, the state has provided sufficient funding for career counseling centers. At this point, the centers should be responsible for generating revenues sufficient to support their operations.

13. The Department received a federal grant totalling \$3.5 million in 1994-95 to implement one-stop job centers. Job centers are locations where a number of DWD employment and training programs are administered. Funding is provided through the various programs. There are currently 67 job centers planned and developing in the state. All eight career counseling centers are located in the same city or county as a job center.

14. Job centers and career counseling centers have a different focus. Job centers are targeted towards adults and provide job information and job skills training. Career counseling centers are targeted towards students and provide videos related to careers, computerized career information and multi-media information. In areas where there is both a job center and a career counseling center, there is some referral of persons between centers.

15. While the duties and typical clients of the two types of centers may differ, it appears that some efficiencies could be achieved by consolidating functions in at least some communities. This could be viewed as consistent with the one-stop concept of providing job or career-related services.

16. In its actions on the 1995-97 biennial budget bill, the Joint Committee on Finance reduced career counseling center funding from base funding of \$600,000 GPR to \$200,000 GPR in 1995-96 and deleted all GPR funding in 1996-97. The Committee also directed the Department to submit a plan to the Committee for providing efficiencies by combining new and existing career counseling centers with job centers. However, the Governor vetoed the report requirement. In view of these actions, the Committee could delete the expenditure authority of \$600,000 annually for the UI interest and penalty appropriation and direct the Department to obtain additional funding through efficiencies from combining services provided by career counseling and job service centers.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation and provide the related expenditure authority at \$600,000 PR each year.

<u>Alternative 1</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$1,200,000
[Change to Bill	\$1,200,000]

2. PASS

2. Provide annual expenditure authority of \$300,000 for career counseling centers from the UI interest and penalty appropriation.

<u>Alternative 2</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$600,000
[Change to Bill	\$600,000]

3. Provide expenditure authority of \$200,000 in 1998-99 for career counseling centers from the UI interest and penalty appropriation.

<u>Alternative 3</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$200,000
[Change to Bill	\$200,000]

4. Maintain current law.

<u>Alternative 4</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill	\$0]

Prepared by: Ron Shanovich

MO# Alt #2

2 JENSEN	X	N	A
1 OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	Y	X	A
DECKER	Y	X	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	X	A
SHIBILSKI	Y	X	A
COWLES	X	N	A
PANZER	X	N	A

AYE 12 NO 4 ABS _____

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Wisconsin Conservation Corps -- Funding Source Conversion and Full Funding of Crew Costs (Workforce Development -- Employment and Training Programs and Services)

[LFB Summary: Page 672, # 13 & 14]

CURRENT LAW

The 1997-98, base funding level for corps enrollee support is \$3,932,300 and is comprised of the following: (a) \$2,506,500 GPR; (b) \$597,600 PR; and (c) \$828,200 SEG.

GOVERNOR

Provide \$1,224,500 SEG in 1997-98 and \$1,239,100 SEG in 1998-99 from the forestry account of the conservation fund for WCC crew costs. In addition, \$1,000,000 GPR would be deleted and \$1,000,000 SEG would be provided each year to convert the funding source for WCC enrollee operations from GPR to the forestry account of the conservation fund. Also, \$150,000 GPR would be provided in each year as a standard budget adjustment to account for higher crew costs due to the increase in the federal minimum wage.

DISCUSSION POINTS

1. WCC crews perform a variety of projects, including timber stand improvement, planting trees, trail development, soil erosion control, construction of recreational facilities, weatherizing buildings and human services projects. General categories of the types of projects that have been undertaken in the past include forestry management, wildlife management, fishery

development, natural area improvement and restoration, weatherization and energy conservation, historical preservation, physical accessibility, housing, parks and recreation, and erosion control.

2. As noted, total base level program revenue funding is \$597,600. The sources of program revenues include: (a) \$310,000 primarily from contracts with DNR for natural resources projects; (b) \$177,600 in fish and wildlife funding received from DNR; (c) \$100,000 expenditure authority for weatherization projects funded by oil overcharge monies; and (d) \$10,000 from project sponsor contributions. Total base level SEG funding is \$828,200. The SEG funding includes: (a) \$328,700 from the forestry of the conservation fund; (b) \$281,100 from the transportation fund; (c) \$76,700 from the nonpoint account of the environmental fund; and (d) \$141,700 from the water resources account of the conservation fund.

3. In some cases, the source of funding for WCC projects is related to the type of projects that are funded. For example, SEG funding from the water resources account is required to be used for projects along waterfronts. Similarly, the program revenue from state fish and wildlife funds must be used for related projects. Moreover, the various sources of SEG and PR funding generally reflect the types of natural resource projects that are performed by WCC crews. However, there is generally not a direct connection between funding source and the type of projects. An example would be transportation fund monies which are used as a general revenue source for all WCC projects.

4. SB 77 provides \$1,224,500 SEG in 1997-98 and \$1,239,100 SEG in 1998-99 from the forestry account of the conservation fund to fund projected crew costs. The increased funding would cover costs associated with increases in the federal minimum wage from \$4.25 to \$4.75 an hour in October, 1996, and then from \$4.75 to \$5.15 an hour in September, 1997. Also, the additional funding would be used for increased costs for social security taxes and unemployment compensation benefits for crew leaders. The level of funding provided would pay for 55 crews.

5. SB 77 would also convert \$1,000,000 GPR annually in base level funding to \$1,000,000 SEG, with the forestry account as the source of SEG funds.

6. Most expenditures from the forestry account are for activities specifically related to forestry (such as county forest programs, forest fire protection and forest tax law aids). Some expenditures, however, are more broadly related to forestry (such as a portion of DNR administrative costs and general operations of state forests). Forestry account monies have historically been used to fund WCC projects. Initially, the program was funded entirely with forestry account monies. Also, many WCC projects involve forest management and improvement activities. However, a significant number of projects are for purposes that would otherwise not be eligible for such forestry monies.

7. Table 1 shows the distribution of funding sources for general enrollee operations for the current year and for 1997-98 and 1998-99 under the provisions of SB 77. The table

shows that the percentage of general enrollee operations funded with SEG forestry account monies would increase from 8.4% to over 48% in each year of the 1997-99 biennium.

TABLE 1
Source of Funding for General Enrollee Operations
Under SB 77

	1996-97		1997-98		1998-99	
	Amount	Percent	Amount	Percent	Amount	Percent
General Enrollee Operations						
GPR	\$2,506,500	63.7%	\$1,656,500	31.2%	\$1,656,500	31.1
PR	597,600	15.2	597,600	11.3	597,600	11.2
SEG						
Forestry Account	328,300	8.4	2,553,200	48.1	2,567,800	48.3
Water Resources Acct.	141,700	3.6	141,700	2.7	141,700	2.7
Transportation Fund	281,100	7.1	281,100	5.3	281,100	5.3
Environmental Fund	<u>76,700</u>	<u>2.0</u>	<u>76,700</u>	<u>1.4</u>	<u>76,700</u>	<u>1.4</u>
Total SEG	\$827,800	21.1%	\$3,052,700	57.5%	\$3,067,300	57.7%
TOTAL	\$3,931,900	100.0%	\$5,306,800	100.0%	\$5,321,400	100.0%

8. WCC staff reviewed all projects conducted during the 1995-97 to determine the type of activity performed. Based on this review, staff classified the projects based on the amount of forestry work performed. Projects which involved specific forestry work included activities such as tree planting, sorting, timber stand improvement and pruning. Projects which involved more general related activities included trail, bridge and shelter construction on forest land. According to WCC staff, during the 1995-97 biennium, about 17% of WCC projects involved specific forestry activities while approximately 30% of projects included activities generally related to forestry work.

9. As noted, the bill would provide total SEG funding that would increase the level of forestry account funding for enrollee operations to over 48% for each year of the biennium. These totals include both funding for increased crew costs and the base level funding conversion. If the intent is to more closely align the level of forestry account funding with the level of related projects, an additional \$1,263,300 SEG in 1997-98 and \$1,267,700 SEG in 1998-99 could be provided from the forestry account to fund increased crew costs. The remaining \$111,200 in 1997-98 and \$121,400 in 1998-99 needed to cover the costs associated with 55 crews could be funded with GPR. These modifications would result in forestry account funding representing approximately 30% of total enrollee operations funding in the 1997-99 biennium.

Note that these amounts represent the additional GPR and SEG amounts that would be provided over base funding levels. To adjust the funding amounts provided in SB 77 to reach this alternative, \$961,200 GPR would have to be provided and an equal amount of SEG would be deleted in 1997-98, while \$971,400 GPR would be provided and an equal amount of SEG would be deleted in 1998-99. Table 2 shows the source of funding for general enrollee operations under this alternative.

TABLE 2

**Source of Funding for General Enrollee Operations
With 30% Forestry Account Funding
Under SB 77**

	<u>1996-97</u>		<u>1997-98</u>		<u>1998-99</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
General Enrollee Operations						
GPR	\$2,506,500	63.7%	\$2,617,700	49.3%	\$2,627,900	49.4%
PR	597,600	15.2	597,600	11.3	597,600	11.2
SEG						
Forestry Account	328,300	8.4	1,592,000	30.0	1,596,400	30.0
Water Resources Acct.	141,700	3.6	141,700	2.7	141,700	2.7
Transportation Fund	281,100	7.1	281,100	5.3	281,100	5.3
Environmental Fund	76,700	2.0	76,700	1.4	76,700	1.4
Total SEG	\$827,800	21.1%	\$2,091,500	39.4%	\$2,095,900	39.4%
TOTAL	\$3,931,900	900.0%	\$5,306,800	100.0%	\$5,321,400	100.0%

10. The bill provides additional monies to cover the costs associated with fully funding 55 crews. However, there will be 99 projects in the 1995-97 biennium, the equivalent of about 50 crews a year. As an alternative, full funding could be provided for 50 rather than 55 crews. Decreasing the number of crews to 50 per year would reduce general enrollee operations expenditures by \$478,000 in 1997-98 and \$484,000 in 1998-99. The Committee could modify the Governor's recommendation to reduce the amount of GPR or SEG funding provided for general enrollee operations by these amounts. The savings from this reduction could be used to offset some of the GPR or SEG revenues needed for full funding of increased crew costs.

A second option would be to modify the alternative suggested in #9 above to provide funding for 50 crews with 30% of the funding for general enrollee operations from the forestry account.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation.

<u>Alternative 1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	- \$1,700,000	\$4,463,600	\$2,763,600
[Change to Bill]	\$0	\$0	\$0

2. Modify the Governor's recommendation to provide \$961,200 GPR and delete \$961,200 SEG in 1997-98 and provide \$971,400 GPR and delete \$971,400 SEG in 1998-99. This would provide 30% of total general enrollee operations funding from the forestry account and fully fund 55 crews.

<u>Alternative 2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$232,600	\$2,531,000	\$2,763,600
[Change to Bill]	\$1,932,600	- \$1,932,600	\$0

3. 3. ^{FAIL} Modify the Governor's recommendation to delete an additional \$478,000 GPR in 1997-98 and \$484,000 GPR in 1998-99. This would provide funding for 50 crews.

<u>Alternative 3</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	- \$2,662,000	\$4,463,600	\$1,801,600
[Change to Bill]	- \$962,000	\$0	- \$962,000

4. Modify the Governor's recommendation to delete \$478,000 SEG in 1997-98 and \$484,000 SEG in 1998-99. This would provide funding for 50 crews.

<u>Alternative 4</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	- \$1,700,000	\$3,501,600	\$1,801,600
[Change to Bill]	\$	- \$962,000	- \$962,000

5. Provide \$626,600 GPR and delete \$1,104,600 SEG in 1997-98 and provide \$632,600 GPR and delete \$1,116,600 SEG in 1998-99. This would provide 30% of total general enrollee operations funding from the forestry account and fund 50 crews.

Alternative 5	GPR	SEG	TOTAL
1997-99 FUNDING (Change to Base)	- \$440,800	\$2,242,400	\$1,801,600
[Change to Bill]	\$1,259,200	- \$2,221,200	- \$962,000]

6. Maintain current law.

Alternative 6	GPR	SEG	TOTAL
1997-99 FUNDING (Change to Base)	\$0	\$0	\$0
[Change to Bill]	\$1,700,000	- \$4,463,600	- \$2,763,600]

Prepared by: Ron Shanovich

MO# Alt #3

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
ZGARD	X	N	A
KAUFERT	X	N	A
LINTON	Y	X	A
COGGS	Y	X	A
BURKE	Y	X	A
DECKER	Y	X	A
GEORGE	Y	X	A
JAUCH	Y	X	A
WINEKE	Y	X	A
SHIBILSKI	Y	X	A
COWLES	X	N	A
PANZER	X	N	A

AYE 8 NO 8 ABS

MO# Alt #2

JENSEN	Y	X	A
OURADA	Y	X	A
HARSDORF	Y	X	A
ALBERS	Y	X	A
GARD	Y	X	A
KAUFERT	Y	X	A
LINTON	X	N	A
ZCOGGS	X	N	A
BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	Y	X	A
PANZER	Y	X	A

AYE 8 NO 8 ABS

MO# Alt #4

JENSEN	Y	N	A
ZOURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE NO ABS

NO VOTE
Del motion #3234

WORKFORCE DEVELOPMENT

WCC Crew Costs

Motion:

Modify the Governor's recommendation to delete an additional \$573,800 GPR in 1997-98 and \$388,200 GPR in 1998-99. This would provide funding for an average of 50 crews for the biennium.

Note:

[Change to Base: -\$2,662,000 GPR and \$4,463,600 SEG]
[Change to Bill: -\$962,000 GPR]

MO# 3234

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A
BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS

Motion #3234

WORKFORCE DEVELOPMENT

Wisconsin Conservation Corps

Motion:

Move to modify appropriation language for WCC funding from the conservation fund to permit the use of forestry account monies for any projects authorized for the WCC under the statutes.

MO# 3222

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
2 ALBERS	X	N	A
1 GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS _____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Wisconsin Conservation Corps -- Education Voucher Increase (Workforce Development -- Employment and Training Programs and Services)

[LFB Summary: Page 673, #17a]

CURRENT LAW

Corps enrollees who successfully complete six months to one year of service in the Wisconsin Conservation Corps (WCC) are eligible to receive either a cash bonus of \$500 or an education voucher that is worth at least \$1,000, but not more than \$2,400.

GOVERNOR

Increase the maximum education voucher from \$2,400 to \$2,600.

DISCUSSION POINTS

1. The education voucher may be used for the payment of tuition and required program activity fees at any institution of higher education in the state, including vocational, technical or other training schools. The corps member has three years after the date of issuance to use the voucher for the payment of tuition and required program fees, regardless of the school attended. The voucher is prorated based on the number of hours worked for eligible corp enrollees.

2. In the past, the maximum tuition voucher has fully funded the cost of one year's tuition and fees at most University of Wisconsin campuses. The following table identifies the

1996-97 and estimated 1997-99 tuition and required program fees charged to students at the Wisconsin Technical College System (WTCS) schools, and to undergraduate resident students at each of the four types of University of Wisconsin campuses.

**Estimated Annual Tuition and Required Activity Fees*
For One Full-Time Equivalent Student**

<u>School</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
WTCS	\$1,886	\$1,991	\$2,088
UW Two-Year Centers	1,942	2,078	2,223
UW Four-Year Campuses	2,498	2,673	2,860
UW-Madison	3,030	3,242	3,469
UW-Milwaukee	3,110	3,317	3,549

*The total required activity fees vary among the schools based on the number and type of credits. The numbers in the columns reflect estimates of average activity fees paid for each type of school.

3. The table shows that for 1996-97, the \$2,400 tuition voucher fully funds tuition and required fees at the WTCS schools and the UW two-year campuses but does not fully fund these costs at the UW four-year campuses, including UW-Madison and Milwaukee.

4. Since tuition and required fees would increase in each year of the 1997-99 biennium, the Committee may wish to increase the education voucher to \$2,600 to reflect the costs of estimated tuition and required activity fees at many of the eligible institutions.

5. During the 1993-95 biennium, 30.3% of corps enrollees elected to receive and were eligible for tuition vouchers. Data for fiscal year 1995-96 indicates that 31% of corps enrollees elected to receive and were eligible for vouchers.

6. The state and federal government currently offer grants and low-interest loans to provide a means by which low-income persons can attend institutions of higher education. Most former WCC enrollees would qualify for additional types of financial assistance to support the costs of higher education.

7. SB 77 does not provide additional funding to cover the costs of increasing the education voucher to \$2,600. Annual base funding for vouchers is \$309,500 (\$186,400 GPR and \$123,100 SEG) and it is estimated that this amount should be sufficient to cover the 1997-99 annual costs of increasing the voucher from \$2,400 to \$2,600.

8. Based on information from the first three rounds of WCC projects in the 1995-97 biennium, it is estimated that the increase in the maximum education voucher amount would increase annual expenditures by \$10,800. The Committee could elect to deny the increase in the value of the voucher and delete \$10,800 GPR from WCC corps enrollee funding annually.

9. When the WCC awards an education voucher, it encumbers the entire voucher amount. However, the voucher amount is not always entirely used. Consequently, previously awarded and unused education vouchers accumulate in the appropriations for corps enrollee support. In previous biennia, these accumulated cash balances would carryover into the next biennium. However, 1995 Wisconsin act 27 (the 1995-97 budget) changed the corps enrollee support appropriations from continuing to biennial. Consequently, an estimated \$236,200 GPR in unused voucher encumbrances will lapse to the general fund on July 1, 1997.

ALTERNATIVES TO BILL BASE

1. Approve the Governor's recommendation.

2. Maintain current law and delete \$10,800 GPR annually from the corps enrollee operations appropriation.

Alternative 2	GPR
1997-99 FUNDING (Change to Base)	- \$21,600
[Change to Bill]	- \$21,600]

3. Maintain current law.

MO# Alt #1

WENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

Prepared by: Ron Shanovich

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS

WORKFORCE DEVELOPMENT

Enforcement of Prevailing Wage Rate and Hours of Labor Laws

Motion:

Move to transfer responsibility for enforcing the state prevailing wage rate and hours of labor laws from the Department of Transportation (DOT) to the Department of Workforce Development (DWD) for state highway construction projects.

Specify that these provisions would take effect on January 1, 1998. Require the Secretaries of DOT and DWD to determine the positions and funding that would be necessary to administer the prevailing wage and hours of labor laws for highway projects and submit a proposal regarding the transfer of these positions and funds from DOT to DWD to the Joint Committee on Finance for its approval at its September meeting under s. 13.10.

Note:

This motion would transfer responsibility for enforcing the state's prevailing wage rate and hours of labor laws from DOT to DWD. In addition, it would establish statutory provisions related to maintenance of records, authority for DWD to inspect, debarment, and the use of the wage claims collection procedure for state highway projects. These provisions currently apply to state and municipal public works projects.

MO# 4503

JENSEN	Y	X	A
OURADA	Y	X	A
HARSDORF	Y	X	A
ALBERS	Y	X	A
GARD	Y	X	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

Motion #4503

AYE 11 NO 5 ABS _____

WORKFORCE DEVELOPMENT

Minimum Wage

Motion:

Move to prohibit an employer from taking any action to displace employees (including partial displacements such a reduction in hours, wages or employment benefits) for purposes of hiring opportunity wage employees.

MO# 3226

JENSEN	Y	X	A
OURADA	Y	X	A
HARSDORF	Y	X	A
ALBERS	Y	X	A
GARD	Y	X	A
KAUFERT	Y	X	A
LINTON	X	N	A
COGGS	X	N	A
BURKE	X	N	A
1 DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
2 SHIBILSKI	X	N	A
COWLES	Y	X	A
PANZER	Y	X	A

AYE 8 NO 8 ABS

WORKFORCE DEVELOPMENT

Job Training and Partnership Act Funding

Motion:

Move to transfer \$80,600 in federal Job Training and Partnership Act funding from the Governor's Special Response Fund to the Northwest Wisconsin Concentrated Employment Program, Inc.

Note:

This motion would transfer funding provided through the federal Job Training and Partnership Act from the Governor's response fund to the Northwest Wisconsin CEP. The Governor's Response Fund is used to fund training related to unexpected plant closings.

[Change to Base: \$80,600 FED]

[Change to Bill: \$80,600 FED]

MO# 3192

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS _____

WORKFORCE DEVELOPMENT

Worker's Compensation

Motion:

Move to require in worker's compensation cases where an injury is caused by the failure of the employer to comply with any statute or any lawful order of the Department, if the injured employe is an employe of an administrative entity that is administering an on-the-job training program funded under the federal Jobs Training Partnership Act, the administrative entity shall be liable for the primary compensation or primary death benefits recoverable under state worker's compensation provisions and the employer for whom the injured employe was performing services at the time of the injury shall be liable for recoverable increased compensation or increased death benefits.

Also, require that if the injured employe is an employe of an administrative entity, as defined under federal law, that is administering an on-the-job training program funded under the federal Job Training Partnership Act, the administrative entity shall be liable for the primary compensation or primary death benefits recoverable and the employer for whom the injured employe was performing services at the time of the injury shall be liable for the increased compensation or increased death benefits recoverable.

Note:

Under current law, an employer is liable for providing worker's compensation for an employe of the employer who sustains an injury or dies while performing services growing out of and incidental to his or her employment (primary compensation or death benefits). Also, under current law, subject to certain exceptions, an employer is liable for increased, double or treble compensation or death benefits, in addition to the primary compensation or death benefits recoverable under the worker's compensation law, if the injury or death is sustained by a minor who is employed in violation of the child labor laws or if the injury is caused by the failure of the employer to comply with any safety statute or order of DWD.

This bill provides that if an injured or deceased employe is an employe of an entity that is administering an on-the-job training program funded under the federal Job Training Partnership Act (administrative entity) and the employe is employed in violation of the child labor laws or is injured or dies because of a violation of a safety statute or order, the administrative entity is liable for the primary compensation or death benefits recoverable under the worker's compensation law and the employer for whom the employe was performing services at the time of the injury is liable for any increased, double or treble compensation or death benefits recoverable under the worker's compensation law.

Motion #1772

VOTE OVER →

MEMORANDUM FOR THE RECORD

DATE: 11/11/72

PAGE: 1

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]
[Illegible text]

[Illegible text]

MO# 1772

JENSEN	Y	X	A
OURADA	Y	X	A
HARSDORF	Y	X	A
ALBERS	Y	X	A
GARD	Y	X	A
KAUFERT	Y	X	A
LINTON	X	N	A
ZCOGGS	X	N	A
BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	Y	X	A
PANZER	Y	X	A

AYE 8 NO 8 ABS

10/31

WORKFORCE DEVELOPMENT

Employment and Training Programs and Services

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
4	LIRC High Capacity Communication Line
5	Workers Compensation IT Programming Services
6	Auxiliary Service Fees
7	Unemployment Insurance Accounts Receivable
8	Workplace Safety Program
9	Wrap-Up Insurance Program
10	AODA and CEP Federal Positions
11	Building Repairs and Renovations
12	Uninsured Employers Fund Payments Authorization
15	Wisconsin Conservation Corps -- IT Funding
16	Wisconsin Conservation Corps -- Development Coordinator
17 x -d	Wisconsin Conservation Corps -- Program Modifications
20	Homecraft Program -- Delete Requirement to Purchase Equipment

LFB Summary Items for Introduction as Separate Legislation

<u>Item #</u>	<u>Title</u>
18	Denial of Licenses for Failure to Pay Child Support
19	Access to Worker's and Unemployment Compensation Records for Child Support Enforcement and Public Assistance Administration

everything but 17b

<u>MO#</u>	<u>Items</u>
JENSEN	X N A
OURADA	X N A
HARSDORF	X N A
ALBERS	X N A
GARD	X N A
KAUFERT	X N A
LINTON	X N A
COGGS	X N A

/ BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	Y	N	A
COWLES	X	N	A
PANZER	X	N	A
AYE	15	NO	0
		ABS	