



# Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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May 21, 2001

Joint Committee on Finance

Paper #1028

## Unemployment Insurance Tax and Wage and Reporting System Redesign (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 2001-03 Budget Summary: Page 728, #9]

### CURRENT LAW

*Alt 2 OK* *LOSS 3* *Card motion*

The Division of Unemployment Insurance (UI) within the Department of Workforce Development (DWD) is responsible for administering the state's unemployment insurance law. The Division has base level funding in 2001-02 of \$353,700 GPR, \$57,364,600 FED and \$6,025,000 PR, and 0.27 GPR, 601.13 FED and 11.50 PR positions.

### GOVERNOR

Provide 13.0 FED two-year project positions beginning in 2001-02 to provide backup for UI Division staff and resources that are engaged in the UI tax and wage reporting system redesign.

### DISCUSSION POINTS

1. A private employer covered by the State's unemployment insurance law is required to make quarterly tax payments and file quarterly contribution/wage reports with the UI Division. Summary wage and tax information is reported on the contribution part of the report. Individual employee gross wage information is reported on the wage part of the report. The employer uses information included on the report to calculate quarterly tax payments and these are submitted with the report. If the report and tax payment are not received by the due date, late filing fees are assessed. In addition, interest of 1% per month is charged on the amount of tax due.

2. The computer system used to administer the quarterly tax payments and contribution/wage reports (the Unemployment Tax Accounting System) is an eighteen-year old mainframe-based transactional system in a centralized environment. The system uses a database

structure that the Department of Administration (DOA) has indicated it will no longer support. The current system's non-relational database has limited flexibility, provides limited real-time updates and is expensive to maintain. The system is labor intensive and relies on overnight batch processing.

3. Under the provisions of 1997 Wisconsin Act 39, an assessment was first imposed on employers subject to contribution financing in 1998 and 1999 to fund the costs of redesigning and developing an unemployment insurance tax and accounting information technology system. The assessment equals 0.01% of taxable payroll for the year or the employer's solvency rate if the solvency rate is lower than 0.01%. The Act also appropriated \$1,000,000 PR from the unemployment interest and penalty appropriation and \$450,000 in federal Reed Act monies was transferred to fund system development. (Reed Act funds are excess federal unemployment taxes from three separate accounts in the federal unemployment trust fund that are transferred to the states when the balances in the accounts exceed statutory limits. The transfers require special legislation and federal approval for each allocation.) The administrative assessment for technology development was extended to 2000 and 2001 under the provisions of 1999 Wisconsin Act 15. Annual assessments are about \$2.2 million.

4. The Division is currently in the process of developing the new state unemployment insurance tax enterprise system (SUITES). There are three phases to the project: (a) detailed design; (b) construction; and (c) implementation.

The detailed design phase of the project includes identification and documentation of all business and technical requirements for the system. Activities include: (a) identification of all detailed business rules; (b) specifications for improved forms, reports, screen designs and other system output; (c) system hardware and software specifications; (d) means and methods to improve contact and communication with all customers; (e) database design; (f) design of interfaces with other bureaus, divisions or departments; (g) specification of the data to be migrated to the system and creation of a plan for migration of the data; (h) programming specifications for conversion of data from the existing to the new system; and (i) development of an organizational change plan to facilitate implementation of SUITES. In addition, a cost and resource estimate will be developed for the construction and implementation phase.

The construction phase of development translates the requirements from the detailed design phase into computer code to develop a system that has the functionality specified in the detailed design. Either a custom system will be developed to meet the business and technical requirements or the existing system will be modified and customized to produce the desired functionality. After the coding is complete, the system will be tested by technical and business experts to assure that it functions as specified.

SUITES would be released for use during the implementation phase. All data from the current system would be migrated to the new system. In order to accomplish the migration, the data will be examined for accuracy and validity and system interfaces will be put in place.

The Division has completed a number of activities in the detailed design phase of system development. Completed projects include a business process improvement review (reviewing

existing processes to identify areas that need modernization and renovation), a legacy assessment of the existing tax and accounting system and a renovation and conversion planning process. In mid-May the Division will receive the draft business requirements document. An internet application has been developed that allows employers to file quarterly tax and wage reports via the internet. The UI tax and accounting computer system is projected to be fully implemented by fiscal year 2003-04.

5. The state unemployment insurance tax enterprise system is projected to cost a total of \$32.1 million. The sources of funding for the system include: (a) \$1.0 million from UI interest and penalties; (b) \$7.05 million from federal Reed Act funds; (c) \$9.45 million from federal unemployment administration grants; (d) \$14.4 million from employer assessments; and (e) \$200,000 from the Department of Revenue for access to tax and accounting information.

6. Current UI Division staff are assisting in all phases of development of the unemployment insurance tax enterprise system. DWD indicates that vendor proposals, studies and professional articles emphasize that staff should be closely involved in the development of major administrative systems. Staff involvement ensures that the system will meet customer and staff needs and include all relevant business processes. By actively participating in implementation, staff become more comfortable with the changes that will occur in their work activities as a result of system implementation.

7. Work time allocated to the UI tax and accounting system redesign project by existing staff has ranged from the equivalent of 10.55 FTE positions per month to 20.15 FTE per month. The use of existing staff on system development has caused workload backlogs to develop and staff has worked overtime to eliminate the workload build-up.

8. The bill would provide the UI division with 13.0 FED two-year project positions beginning in 2001-02 and the positions would be funded with reallocated federal unemployment administration funds. Specifically, supplies and services funding of \$385,100 in 2001-02 and \$509,800 in 2002-03 would be reallocated to salaries and fringe benefits. The positions would perform basic and routine administrative activities including customer services, audits, report gathering and processing, collection support, tax and wage balancing, research and staff scheduling. This would allow current staff to perform more important UI administrative functions and to continue activities related to implementing the redesigned UI tax and accounting system.

9. The Department indicates that if the additional positions are not approved the following would occur: (a) verification audits would be reduced; (b) employer service teams would have to delay some customer service, delaying coverage determinations and, possibly, delaying payment of UI claims; (c) financial reporting would be delayed and federal deadlines might be missed; (d) quarterly tax receipt processing would be delayed; (e) tax and benefit overpayment receivables would increase; and (f) tax collection activities would be reduced.

10. The UI Division currently has 1.35 positions funded from the federal unemployment administration appropriation that have been vacant at least 16 months. The Department indicates that it is recruiting to fill one of the vacant positions but is having difficulty filling it. The position

has been vacant over 20 months. In addition, there is an employment services supervisor position with the Division of Workforce Solutions that has been vacant for 13 months and is funded from the same appropriation as the UI positions. DWD indicates it is recruiting to fill the position. An argument could be made that it is difficult to justify the need for additional positions when there are a number of positions that have been vacant for over a year. One alternative would be to reduce the number of new positions provided in the bill from 13.0 to 10.65 to reflect the existence of 2.35 vacant positions that could be filled to supplement development of the UI tax and accounting system.

11. In addition, based on a review of vacant positions within all of DWD's divisions, there were a total of 121 positions that have been vacant for seven months or longer as of April 7, 2001. Of these vacant positions, 50 have been vacant for 13 months or more. Some of these vacancies are project positions that will terminate at the end of the current fiscal year, and the Department is attempting to fill most of the other vacancies. Also, 9.25 positions in the Administrative Services Division would be deleted under another provision of the budget bill. However, given the large number of long-term vacancies, it can be argued that the Department has sufficient flexibility to reallocate existing positions and additional position authority is not necessary at this time.

**ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation to provide 13.0 FED two-year project positions beginning in 2001-02 to provide backup for Unemployment Insurance Division staff and resources that are engaged in the UI tax and wage reporting system redesign.

2. Modify the Governor's recommendation to provide 10.65 FED, rather than 13.0 FED, two-year project positions and require the Department to reallocate 2.35 FED vacant positions beginning in 2001-02 to provide backup UI Division staff and resources that are engaged in the UI tax and wage reporting system redesign.

3. Maintain current law.

<b>Alternative 2</b>	<b>FED</b>
2002-03 POSITIONS (Change to Bill)	- 2.35

<b>Alternative 3</b>	<b>FED</b>
2002-03 POSITIONS (Change to Bill)	- 13.00

MO#				
BURKE	Y	N	A	
DECKER	Y	N	A	
MOORE	Y	N	A	
SHIBILSKI	Y	N	A	
PLACHE	Y	N	A	
WIRCH	Y	N	A	
DARLING	Y	N	A	
WELCH	Y	N	A	
GARD	Y	N	A	
KAUFERT	Y	N	A	
ALBERS	Y	N	A	
DUFF	Y	N	A	
WARD	Y	N	A	
HUEBSCH	Y	N	A	
HUBER	Y	N	A	
COGGS	Y	N	A	

Prepared by: Ron Shanovich



Paper #1029 -

Alternative 3 (Maintain Current Law)

I really like the Conservation Corps and think Brian should do what he can to preserve their funding.

Decker,  
Huber,  
Plache

Alt. 1

Good motion to  
take out CPR



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May 21, 2001

Joint Committee on Finance

Paper #1029

### **Wisconsin Conservation Corps -- Funding for Crews (DWD -- Employment, Training and Vocational Rehabilitation Programs)**

[LFB 2001-03 Budget Summary: Page 728, #11]

#### **CURRENT LAW**

The 2000-01 base level funding for Wisconsin Conservation Corps (WCC) crew support is \$5,185,400 and is comprised of the following: (a) \$1,514,500 GPR; (b) \$455,900 PR; and (c) \$3,215,000 SEG.

#### **GOVERNOR**

Decrease funding for general work crew operations by \$248,900 GPR and \$221,600 SEG in 2001-02 and \$367,800 GPR and \$573,300 SEG in 2002-03 to reduce the number Wisconsin Conservation Corps crews from 55 to 45. The SEG funding is from the forestry and water resources accounts of the conservation fund.

#### **DISCUSSION POINTS**

1. The WCC was created in 1983 to provide employment to young men and women 18 to 25 years of age through the completion of conservation and natural resource projects. In addition, a major goal of the WCC is to teach young adults basic work habits and job skills, to develop cooperation and discipline through meaningful work experiences, and to provide training and educational opportunities, all of which will improve their chances of securing employment in the private sector. Initially, the Corps consisted of four work crews, each of which spent most of their time on forestry-related projects such as planting or cutting down trees. Currently, WCC has approximately 50 crews conducting projects throughout the state, in both rural and urban areas. Each crew typically consists of four to six corps members and a crew leader.

2. Projects for WCC crews are developed in association with sponsors, such as governmental agencies, nonprofit organizations and school districts, and are typically designed to last for one year. Corps members are hired for the duration of a project. In some cases, projects can be renewed and corps members rehired. Sponsors are responsible for providing transportation for the crew from a designated reporting location to the worksite, for tools, materials and equipment to complete project activities, for some technical assistance and for support services for the crew leader.

3. WCC crews perform a variety of conservation and community development projects, including timber stand improvement, trail development, planting trees, soil erosion control, construction of recreational facilities, weatherizing buildings and providing various human services. General categories of the types of projects that have been undertaken 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.

4. WCC pays wages, statutorily set at the higher of the state or federal minimum wage (currently \$5.15 per hour), and workers compensation, and provides personal safety equipment for the crew members. The WCC also hires and trains a crew leader who is responsible for discipline and paperwork for all the crew members.

5. The bill would reduce funding by \$470,500 (\$248,900 GPR and \$221,600 SEG) in 2001-02 and \$941,100 (\$367,800 GPR and \$573,300) in 2002-03. The reduced funding would provide for 50 crews in 2001-02 and 45 in 2002-03. The administration notes that the WCC has had difficulties in filling all of its work crews and the reduced funding level reflects the expected number of corps members that would be employed.

6. WCC indicates that the funding reduction would increase competition for WCC projects between new sponsors and current sponsors that wish to renew an existing contract for another year. In addition, the total number of young adults that could be employed in the Corps would be reduced.

7. The GPR and SEG appropriations used to fund WCC crew operations are biennial appropriations. At the end of the biennium the unencumbered balances revert to the fund from which the funds were appropriated. At the end of the 1997-99 biennium, the WCC lapsed over \$1.1 million in unencumbered funds out of total GPR and SEG spending authority of \$8.47 million. As of April 30, 2001, over \$1.7 million in funding for crew operations was uncommitted. Total biennial SEG and GPR funding for crew operations for 2001-03 was \$9.3 million.

8. Program revenue funding of \$445,900 for crew activities comes from contracts with DNR for natural resource and fish and wildlife projects. The bill would not reduce PR funding because it would require the WCC to limit the amount of outside revenue it could obtain to fund projects.



9. The WCC has a seven-member Board appointed by the Governor that sets policies and approves project applications. Project sponsors compile applications for projects and submit them to the Board for approval. In deciding which projects to fund, the Board uses the following guidelines: (a) the extent to which the project will provide meaningful labor-intensive employment to Corps members; (b) the extent to which the project will promote the long-term beneficial conservation of resources; (c) the extent to which the project will promote the social well-being of children, the elderly, persons with disabilities and persons with low incomes; (d) the difficulty in implementing the project and its compatibility with other projects in the area; (e) the value of financial support provided by the sponsor; (f) the extent to which the sponsor will provide Corps members with additional wages and benefits; and (g) the extent to which the project will benefit the community. The number of projects approved by the Board determines the number of crews that will be needed to support the projects. However, there is no statutory requirement that a specific number of WCC projects be approved each year.

10. Sponsors can provide funds to cover part or all of the cost of a WCC project. State agencies are statutorily authorized to use monies from any appropriation of the agency to sponsor a WCC project if implementation of the project is consistent with any purpose for which the monies are appropriated. WCC has a program revenue appropriation for sponsor contributions to project costs. If funding for WCC work crews is reduced, sponsors could provide additional funds to offset the reduction in funding for crews for projects that were viewed as desirable.

11. An alternative to the bill that could be considered would be to reduce funding authority to the level of 47 crews in 2001-02 and 40 crews in 2002-03. This would allow the Corps to undertake about 87 projects during the biennium. If the Corps wished to conduct more projects it could seek additional funding from sponsors. Under this alternative, funding would be reduced by \$398,300 GPR and \$354,600 SEG in 2001-02 and \$551,600 GPR and \$860,000 SEG in 2002-03. This would adjust the funding for crew operations to reflect lower levels of crew members and expenditures for crew activities. The following table provides a comparison of the alternative funding reductions and base level funding for crew operations.

**Comparison of Base Level Funding  
An Alternative Funding Reduction  
Crew Operations**

	<u>Base Funding</u>	<u>Bill</u>		<u>Alternative</u>	
	<u>2001-02</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>
GPR	\$1,591,200	\$1,342,300	\$1,223,400	\$1,192,900	\$1,039,600
PR	455,900	455,900	455,900	455,900	455,900
SEG	<u>3,138,300</u>	<u>2,916,700</u>	<u>2,565,000</u>	<u>2,783,700</u>	<u>2,278,300</u>
Total	\$5,185,400	\$4,714,900	\$4,244,300	\$4,432,500	\$3,773,800

**ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation to decrease funding for general work crew operations by \$248,900 GPR and \$221,600 SEG in 2001-02 and \$367,800 GPR and \$573,300 SEG in 2002-03 to reduce the number Wisconsin Conservation Corps crews from 55 to 45.
2. Modify the Governor's recommendation to decrease funding for general work crew operations by a total of \$398,300 GPR and \$354,600 SEG in 2001-02 and \$551,600 GPR and \$860,000 SEG in 2002-03 to reduce the number of WCC crews from 55 to 40.

<u>Alternative 2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$333,200	- \$419,700	- \$752,900

3. Maintain current law.

<u>Alternative 3</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	\$616,700	\$794,900	\$1,411,600

MO# Alt. 2 ch

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 10 NO 6 ABS



WORKFORCE DEVELOPMENT --  
EMPLOYMENT TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Wisconsin Conservation Corps -- Projects

[LFB Paper #1029]

Motion:

Move to require the Wisconsin Conservation Corps Board to give the highest priority in selecting projects to those located in counties with the highest unemployment rates or where recent job layoffs have occurred.

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Note:

The Wisconsin Conservation Corps (WCC) has a seven-member Board appointed by the Governor that sets policies and approves project applications. Project sponsors compile applications for projects and submit them to the Board for approval. In deciding which projects to fund, the Board uses the following guidelines: (a) the extent to which the project will provide meaningful labor-intensive employment to Corps members; (b) the extent to which the project will promote the long-term beneficial conservation of resources; (c) the extent to which the project will promote the social well-being of children, the elderly, persons with disabilities and persons with low incomes; (d) the difficulty in implementing the project and its compatibility with other projects in the area; (e) the value of financial support provided by the sponsor; (f) the extent to which the sponsor will provide Corps members with additional wages and benefits; and (g) the extent to which the project will benefit the community. The number of projects approved by the Board determines the number of crews that will be needed to support the projects. However, there is no statutory requirement that a specific number of WCC projects be approved each year. This motion would require the Board to select projects in counties with the highest unemployment rates or where recent job layoffs have occurred.

MO# \_\_\_\_\_

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input checked="" type="radio"/> N	A
MOORE	Y	<input checked="" type="radio"/> N	A
SHIBILSKI	Y	<input checked="" type="radio"/> N	A
PLACHE	Y	<input checked="" type="radio"/> N	A
WIRCH	Y	<input checked="" type="radio"/> N	A
DARLING	<input checked="" type="radio"/> Y	N	A
WELCH	<input checked="" type="radio"/> Y	N	A
GARD	<input checked="" type="radio"/> Y	N	A
KAUFERT	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
DUFF	<input checked="" type="radio"/> Y	N	A
WARD	<input checked="" type="radio"/> Y	N	A
HUEBSCH	<input checked="" type="radio"/> Y	N	A
HUBER	Y	<input checked="" type="radio"/> N	A
COGGS	Y	<input checked="" type="radio"/> N	A

AYE 8 NO 8 ABS \_\_\_\_\_

WORKFORCE DEVELOPMENT --  
EMPLOYMENT TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Wisconsin Conservation Corps-Projects Involving the Federal Government

[LFB Paper #1029]

Motion:

Move to require the Wisconsin Conservation Corps Board to reject any proposed project that involves the federal government if a local unit of government enacts a resolution opposing such a project.

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Note:

The Wisconsin Conservation Corps (WCC) has a seven-member Board appointed by the Governor that sets policies and approves project applications. Project sponsors compile applications for projects and submit them to the Board for approval. In deciding which projects to fund, the Board uses the following guidelines: (a) the extent to which the project will provide meaningful labor-intensive employment to Corps members; (b) the extent to which the project will promote the long-term beneficial conservation of resources; (c) the extent to which the project will promote the social well-being of children, the elderly, persons with disabilities and persons with low incomes; (d) the difficulty in implementing the project and its compatibility with other projects in the area; (e) the value of financial support provided by the sponsor; (f) the extent to which the sponsor will provide Corps members with additional wages and benefits; and (g) the extent to which the project will benefit the community. The number of projects approved by the Board determines the number of crews that will be needed to support the projects. However, there is no statutory requirement that a specific number of WCC projects be approved each year. This motion would require the Board to reject any proposed project that involves the federal government if a local unit of government enacts a resolution opposing such a project.

MO#

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input checked="" type="radio"/> N	A
MOORE	Y	<input checked="" type="radio"/> N	A
SHIBILSKI	Y	<input checked="" type="radio"/> N	A
PLACHE	Y	<input checked="" type="radio"/> N	A
WIRCH	Y	<input checked="" type="radio"/> N	A
DARLING	<input checked="" type="radio"/> Y	N	A
WELCH	<input checked="" type="radio"/> Y	N	A
GARD	<input checked="" type="radio"/> Y	N	A
KAUFERT	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
DUFF	<input checked="" type="radio"/> Y	N	A
WARD	<input checked="" type="radio"/> Y	N	A
HUEBSCH	<input checked="" type="radio"/> Y	N	A
HUBER	Y	<input checked="" type="radio"/> N	A
COGGS	Y	<input checked="" type="radio"/> N	A

AYE 8 NO 8 ABS

Alt 1  
OK

Paper #1030 -

Alternative 1 (go with the gov here)

(note: is the FB GPR analysis wrong after the gov's recommendation? i.e. should it be negative \$195,000 to base (not bill)?). However, I could see deleting the gov's proposal here to save some GPR if we don't cut so much on Paper #1029.





## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 21, 2001

Joint Committee on Finance

Paper #1030

### **Wisconsin Conservation Corps -- Corps Member Benefits (DWD -- Employment, Training and Vocational Rehabilitation Programs)**

[LFB 2001-03 Budget Summary: Page 728, #12 and Page 729, #13]

#### **CURRENT LAW**

Wisconsin Conservation Corps (WCC) members who successfully complete six months to one year of service 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 \$2,800.

Under current law, the WCC Board is authorized to provide group health care coverage to: (a) individuals who have been crew leaders or regional crew leaders for at least two years; and (b) crew leaders or regional crew leaders who discharge special responsibilities as determined by the Board.

#### **GOVERNOR**

Increase the period for which an education voucher can be used from three to four years from the date it is issued.

Reduce from two years to six months the period of time an individual must be a crew leader or regional crew leader to be eligible for health care.

#### **DISCUSSION POINTS**

1. All WCC corps members are employed outside of the state civil service and are paid wages statutorily set at the higher of the state or federal minimum wage (currently \$5.15 per hour). Assistant crew leaders, crew leaders and regional crew leaders may be paid more than the

prevailing federal minimum wage or applicable state minimum wage. All corps members are covered by worker's compensation. In general, corps members are not eligible for health care benefits or other fringe benefits provided to state employees. However, the WCC Board is authorized to provide group health care coverage to: (a) individuals who have been crew leaders or regional crew leaders for at least two years; and (b) crew leaders or regional crew leaders who discharge special responsibilities as determined by the Board. Finally, WCC members who successfully complete six months to one year of service 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 \$2,800.

2. The education voucher may be used for 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 payment of tuition and required fees, regardless of the school attended. The voucher is prorated based on the number of hours worked for eligible corps enrollees. A maximum of four education vouchers can be earned by corps members.

3. The WCC has approximately 50 crews conducting projects throughout the state. Each crew typically consists of four to six corps members and a crew leader. The WCC hires and trains the crew leader who is responsible for supervising the crew and certain administrative responsibilities.

4. The normal enrollment period for a corps member is one year, however, the WCC Board may authorize extending the enrollment period for up to an additional year. Assistant crew leaders are normally hired for two years, but the period can be extended by the Board up to three months in order to complete a project. The usual employment period for a crew leader is two years. The WCC Board may extend the employment of a crew leader beyond two years if the individual possesses special experience, training or skills valuable to the WCC. The Board may extend the employment of a regional crew leader for an unlimited time.

5. Extending from three to four years the time period over which education vouchers may be used would be of primary benefit to crew leaders. Often, crew leaders work for four years. This change would allow crew leaders to earn the four education vouchers available under current law and to accumulate and use all of them. In addition, the extension would provide more time in which corps members could use their vouchers.

6. The state and federal governments 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. WCC members are specifically eligible for AmeriCorps education awards of up to \$4,725.

7. The budget bill would not provide additional funding to cover the costs of extending the period over which an educational voucher could be used from three to four years.

Annual base funding for vouchers is \$138,600 GPR and \$123,100 SEG and it is estimated that this amount would be sufficient to cover the cost of extending the voucher use period.

8. The appropriations which fund education vouchers are biennial; any unencumbered balances in the appropriations at the end of the biennium lapse to the general fund. Based on information from the current crew leader roster, it is estimated that increasing the period during which the education voucher could be used would increase annual expenditures by about \$15,000 a year. However, the extension would first be applicable to vouchers that would be used in the second year of the 2001-03 biennium. As a result, the lapse of unencumbered education voucher funding at the end of the 2001-03 biennium would be reduced by \$15,000.

9. As an alternative, the Committee could elect to deny the extension in the use period and delete \$15,000 GPR annually from corps enrollee funding.

10. As noted, the bill would extend health care coverage to crew leaders who have worked for the WCC for six months. The WCC indicates that the lack of health care coverage for two years has hurt recruitment. In interviews with crew leader candidates, the individuals noted that health care benefits were a major factor in job decisions.

11. Under current provisions, crew leaders receive certain benefits because of their status. Crew leaders are paid substantially more than corps members and, as noted, are eligible for health insurance coverage after two years. Crew leaders are provided specialized training and also are placed in a supervisory position. State agency LTEs that work less than one year must pay 50% of their health insurance costs. Crew leaders work an average of about 20 months. An argument could be made that expanding health care coverage to short-term crew leaders would provide those individuals with a better benefit than LTEs at other state agencies.

12. The bill does not provide additional funding to cover the cost of expanding health insurance coverage for crew leaders. Rather, the additional cost would be paid out of base level crew operations funding. Since the appropriations which provide this funding are biennial, the unencumbered balances at the end of the biennium lapse to the general fund. Again, based on information from the current crew leader roster, it is estimated that the health insurance provision would reduce the lapse by \$180,000 in 2002-03. Alternatively, annual crew operations funding could be reduced by \$90,000 in each year.

## **ALTERNATIVES TO BILL**

1. Adopt the Governor's recommendation to increase the period for which an education voucher can be used from three to four years from the date it is issued. Reduce from two years to six months the period of time an individual must be a crew leader or regional crew leader to be eligible for health care insurance coverage. Reduce the estimated 2002-03 lapse to the general fund by \$195,000.

<b>Alternative 1</b>	<b>GPR</b>
2001-03 REVENUE (Change to Bill)	- \$195,000

2. Delete the Governor's recommendation to increase the period for which an education voucher could be used to four years and delete \$15,000 GPR annually in funding for education vouchers.

<b>Alternative 2</b>	<b>GPR</b>
2001-03 FUNDING (Change to Bill)	- \$30,000

3. Delete the Governor's recommendation to reduce from two years to six months the time for which a crew leader must work to be eligible for health insurance and delete \$90,000 GPR annually in base level funding that would be used for increased health insurance costs.

<b>Alternative 3</b>	<b>GPR</b>
2001-03 FUNDING (Change to Bill)	- \$180,000

4. Maintain current law.

MO# ATS 213

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input checked="" type="radio"/> N	A
MOORE	Y	<input checked="" type="radio"/> N	A
SHIBILSKI	Y	<input checked="" type="radio"/> N	A
PLACHE	Y	<input checked="" type="radio"/> N	A
WIRCH	Y	<input checked="" type="radio"/> N	A
DARLING	<input checked="" type="radio"/> Y	N	A
WELCH	<input checked="" type="radio"/> Y	N	A
GARD	<input checked="" type="radio"/> Y	N	A
KAUFERT	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
DUFF	<input checked="" type="radio"/> Y	N	A
WARD	<input checked="" type="radio"/> Y	N	A
HUEBSCH	<input checked="" type="radio"/> Y	N	A
HUBER	Y	<input checked="" type="radio"/> N	A
COGGS	Y	<input checked="" type="radio"/> N	A

AYE 8 NO 8 ABS \_\_\_\_\_



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 21, 2001

Joint Committee on Finance

Paper #1031

### **Governor's Work-Based Learning Board -- Youth Apprenticeship Training Grants (DWD -- Employment, Training and Vocational Rehabilitation Programs)**

[LFB 2001-03 Budget Summary: Page 729, #15]

#### **CURRENT LAW**

Under current law, the Governor's Work-Based Learning Board (GWBLB) has authority to award grants to employers for each youth apprentice that receives at least 180 hours of paid on-the-job training from the employer during the school year. The GWBLB may award a training grant to an employer that provides less than 180 hours of paid on-the-job training if the Board determines that it would be beneficial for the youth apprentice to receive training from more than one employer. The maximum training grant is \$500 per year and a grant cannot be awarded for a specific youth apprentice for more than two school years. Under current law, no base level funding is provided for the youth apprenticeship training grant program.

#### **GOVERNOR**

Require the Governor's Work-Based Learning Board (GWBLB) to establish eligibility criteria for youth apprenticeship training grants that would limit the grants to small employers and to employers that provide on-the-job training in employment areas. The Board would determine the definitions of "small employer" and "on-the-job training in employment areas," but would not have to promulgate administrative rules to establish the criteria.

#### **DISCUSSION POINTS**

1. Many of the current, statewide school-to-work programs were created by 1991 Act 39. The Act required the former Department of Industry, Labor and Human Relations (DILHR), in

cooperation with the Department of Public Instruction (DPI) and the Wisconsin Technical College System (WTCS) Board, to develop a youth apprenticeship program and created a 12-member youth apprenticeship council in DILHR to coordinate the establishment of the program. In 1993 Act 16, DILHR's Office of Workforce Excellence was permanently funded to provide oversight for school-to-work programs. The Act also provided funds for youth apprenticeship training grants to participating employers. The 1999-01 biennial budget (1999 Wisconsin Act 9) significantly changed administration and operation of many of the state's school-to-work programs. Act 9 created the Governor's Work-Based Learning Board to administer and coordinate existing and new work-based learning programs for youth. The Board is attached to the Department of Workforce Development (DWD) for administrative purposes. DWD's Division of Connecting Education and Work was eliminated and the responsibility for administering youth apprenticeship, school-to-work and work-based learning programs along with Division staff and funding were transferred to the Board.

2. The youth apprenticeship program provides high school juniors and seniors with the option of enrolling in a one or two-year program combining academic classroom coursework 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. The GWBLB administers the program with the assistance of DPI and the WTCS Board. Staff from the three agencies work with local youth apprenticeship partnerships to establish and operate local youth apprenticeship programs. Schools and WTCS districts provide the academic component of the program through a curriculum developed at the state level. The GWBLB approves occupations for the youth apprenticeship program and contracts with WTCS districts, local school districts or the UW for the development of curricula for occupations approved for the program. Employers hire youth apprentices for the one- or two-year program, 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 the youth apprentices.

3. The youth apprenticeship training grant program was established to provide an incentive to secure sufficient employer participation in the youth apprenticeship program. The grants were intended to offset some of the employer's costs incurred in investing in young, untrained workers. Employer costs included training expenses, purchases of tools, special equipment and uniforms, and worker's compensation insurance payments. The total annual amount appropriated for the grant program ranged from \$380,000 GPR in 1996-97 to \$1,150,000 GPR in 1998-99. However, the largest amount of grants awarded was \$579,300 in 1995-96. The total number of students for which grants were made ranged from 117 in 1993-94 to 730 in 1995-96. A total of \$690,000 GPR in 1997-98 and \$1,150,000 GPR in 1998-99 was appropriated for youth apprenticeship training grants. Total grants of less than \$500,000 were made in each year for 506 and 600 students, respectively.

4. As noted, Act 9 transferred the youth apprenticeship training grant program to the GWBLB for administration. Although the training grant program was administered by the Board, annual base level funding for the grants of \$1,150,000 GPR was transferred to a new local youth

apprenticeship grant program and placed in a different appropriation. This funding was supplemented by additional annual funding of \$2,000,000 GPR. The youth apprenticeship training grant program was not funded.

5. The GWBLB awards local youth apprenticeship grants to local youth apprenticeship partnerships for implementation and coordination of local youth apprenticeship programs. Local youth apprenticeship partnerships are consortia that include one or more school districts, other WTCS institutions, CESAs, other public agencies, workforce development boards, labor and employer groups. Local youth apprenticeship partnerships provide administrative, program and financial support to the local youth apprenticeship programs. Each local partnership has a youth apprenticeship coordinator who acts as a liaison between the participating businesses, schools and students. The coordinators' responsibilities include recruiting students and businesses, developing training sites and providing more training.

6. A local partnership can use grant moneys for any of the following implementation and coordination activities: (a) recruiting employers to provide on-the-job training and supervision for youth apprentices (including making training grants to employers) and providing technical assistance to those employers; (b) recruiting students to participate in the local youth apprenticeship program and monitoring the progress of youth apprentices participating in the program; (c) coordinating youth apprenticeship training activities within participating school districts and among participating school districts, postsecondary institutions and employers; (d) coordinating academic, vocational and occupational learning, school-based and work-based learning and secondary and postsecondary education for participants in the local youth apprenticeship program; (e) assisting employers in identifying and training workplace mentors and matching youth apprentices and mentors; and (f) any other implementation or coordination activity that the Board may direct or permit.

7. A total of \$3,150,000 GPR is annually appropriated for local youth apprenticeship grants. The GWBLB awarded all of that amount in 2000-01 to 40 local partnerships, representing 362 school districts (85%) to operate youth apprenticeship programs. Of the total amount awarded to local partnerships, \$752,700 in grants was awarded in 2000-01 to industry and labor associations to assist the local partnership in recruiting businesses and students to participate in local youth apprenticeship programs. In addition, some of the local partnerships use grant monies to make training grants to businesses to partially offset expenses for investing in youth apprentices. Local partnerships have awarded \$94,300 for this purpose during the biennium.

8. The provision in the bill modifying the youth apprenticeship training grant program is intended to ensure that grants would be targeted to small businesses in areas of need, if the grant program was funded. However, the program has not been funded since 1998-99 and, under the bill, no funding would be provided in the 2001-03 biennium. The GWBLB has not requested that the program be funded, in part, because local partnerships can use their grants to provide assistance to employers. It appears that there is currently little demand for the state level program. Consequently, the Committee could deny the requested program modification and, instead, eliminate the youth apprenticeship training grant program and related appropriation.

**ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation to require the Governor's Work-Based Learning Board to establish eligibility criteria for youth apprenticeship training grants that would limit the grants to small employers and to employers that provide on-the-job training in employment areas. Also, require the Board to determine the definitions of "small employer" and "on-the-job training in employment areas."

2. Deny the Governor's recommendation and, instead eliminate the youth apprenticeship training grant program and related appropriation under the GWBLB.

3. Maintain current law.

MO#				
BURKE	Y	N	A	
DECKER	Y	N	A	ovich
MOORE	Y	N	A	
SHIBILSKI	Y	N	A	
PLACHE	Y	N	A	
WIRCH	Y	N	A	
DARLING	Y	N	A	
WELCH	Y	N	A	
GARD	Y	N	A	
KAUFERT	Y	N	A	
ALBERS	Y	N	A	
DUFF	Y	N	A	
WARD	Y	N	A	
HUEBSCH	Y	N	A	
HUBER	Y	N	A	
COGGS	Y	N	A	

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_

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*Alt 2 Coss, Moore, Decker, Huber*

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Thurs*





## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 21, 2001

Joint Committee on Finance

Paper #1032

### **Governor's Work-Based Learning Board -- Career Counseling Centers (DWD -- Employment, Training and Vocational Rehabilitation Programs)**

[LFB 2001-03 Budget Summary: Page 730, #16]

#### **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. The Division of Workforce Solutions in the Department of Workforce Development (DWD) administers the program.

#### **GOVERNOR**

Provide that the Governor's Work-Based Learning Board (GWBLB) would be responsible for planning, coordinating, administering and implementing the career counseling center program.

#### **DISCUSSION POINTS**

1. The career counseling center program was created to provide grants to nonprofit corporations and public agencies to develop career counseling centers. State grants, including funds transferred from the unemployment insurance interest and penalty appropriation, were provided to career counseling centers from 1994-95 through 1998-99. The program was administered by the Division of Connecting Education and Work. However, under the provisions of 1999 Act 9, state funding for the centers was eliminated and DWD was directed to consolidate the career counseling center functions with job centers. The career counseling center program is administered by the Division of Workforce Solutions, which is also responsible for job centers.

2. Career counseling centers provide pupils with access to comprehensive career

education and job training information, including information regarding technical college programs. The centers also assist pupils in locating apprenticeship and other work experience opportunities related to the pupil's education. The centers are required to coordinate services with the counseling and guidance activities and school district education for employment programs.

3. Career counseling centers are operated by teams that include groups such as workforce development boards, WTCS districts, school districts, chambers of commerce, nonprofit organizations, business and labor. Center 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 workstations to view job listings; (e) a 1-800 telephone information hotline; (f) access to the 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, learning about occupations and job opportunities in various career fields, exploring career options and planning careers.

4. There are eleven career counseling centers located in Appleton, Ashland, Green Bay, La Crosse, Madison, Milwaukee, Pewaukee, Racine, Watertown, Wausau and West Bend. About 78,000 youth and 20,000 adults visit the centers during the year.

5. Job centers provide a single location for employers to meet workforce recruitment, training and development needs and for job seekers to obtain career planning, job placement and training services that can assist them in getting jobs. Job centers are locally developed and managed and combine the resources of state, county, education and private sector entities to provide services to individuals who are looking for work and businesses that are looking for workers. Job centers also provide access to the Wisconsin Works program. There are 78 job centers in Wisconsin.

6. Prior to Act 9, DWD was authorized to award grants to nonprofit corporations or public agencies to operate career counseling centers. The grants could range from 25% to 75% of the total cost of operating the center, but after three years of receiving grant funds, the grant could not exceed 50% of the total cost of operating the center. The grant recipient was required to provide the remaining share of project cost. Grant recipients were not guaranteed funding in the second or subsequent years of operation of the centers.

7. As noted, under the provisions of Act 9, the career counseling center grant program was eliminated and DWD was directed to consolidate career counseling center functions in job centers. Currently, the coordination between career counseling centers and job centers varies from center to center. Some career counseling centers are located and work with job centers while others have continued to operate alone. Historically, career counseling centers have resisted consolidating activities with job centers, because job centers and career counseling centers are viewed as having a different focus. Job centers are targeted toward adults and provide 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 referral of persons between centers.

8. Under current statutory provisions, DWD is required to provide career counseling

centers as part of the job center network. However, since the state grant program was eliminated, the administrative support provided by DWD staff to career counseling centers has been limited. DWD staff have worked to coordinate career counseling and job center functions, provide technical assistance and collect data on career center usage. Under Act 9, the career centers were placed within the Division of Workforce Solutions (formerly the Division of Workforce Excellence) because the Division administers the state job centers program. Prior to Act 9, the career counseling center program was administered by the Division of Connecting Education and Work as part of DWD's school-to-work activities. The Governor proposed transferring the career centers to the Work-Based Learning Board in the 1999-01 budget bill. The Legislature modified the bill to direct DWD to administer the centers as part of job centers.

9. The bill would return administrative responsibility for career counseling centers to DWD's school-to-work staff. The GWBLB indicates that it would provide technical assistance to the career centers to maintain websites and to develop independent funding sources. The Board has retained the reporting structure to collect data on career center usage. Periodically, GWBLB staff attend meetings of the directors of career centers.

10. Career counseling center grants were initially viewed as seed money with the local sponsors of the centers obtaining other funding for the costs of operating the centers after three years. Since the state funding was eliminated in 1999, the career centers have managed to obtain funding to continue various levels of operations. Schools send students to the career centers and some charge a per pupil fee for services provided. However, even though the centers are able to generate varying degrees of local financial support, there is little consistency from center to center and it is unclear if most would be able to generate sufficient revenue for a sustained period. From this view, an administrative connection with DWD provides the career centers with technical assistance and staff support to help keep the centers operating.

11. On the other hand, state financial support for the career centers has not been available for two years. The amount of administrative support the Department can provide is limited and there are no statutorily required administrative services for the career centers. Moreover, career counseling centers were originally envisioned as self-supporting entities. An argument could be made that DWD should not have any administrative responsibilities for career counseling centers.

## **ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation to provide that the Governor's Work-Based Learning Board would be responsible for planning, coordinating, administering and implementing the career counseling center program.

2. Delete the Governor's recommendation and, instead, eliminate all DWD responsibilities for administering career counseling centers.

3. Maintain current law.

Prepared by: Ron Shanovich

MO# Att 3

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input type="radio"/>	N	A
KAUFERT	<input type="radio"/>	N	A
ALBERS	<input type="radio"/>	N	A
DUFF	<input type="radio"/>	N	A
WARD	<input type="radio"/>	N	A
HUEBSCH	<input type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 8 NO 8 ABS \_\_\_\_\_

MO# Att 2

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 10 NO 0 ABS \_\_\_\_\_

Att 3

# WORKFORCE DEVELOPMENT

## Employment, Training and Vocational Rehabilitation

### LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
3	Division of Vocational Rehabilitation -- Funding Transfer for Independent Living
5	Worker's Compensation Information Technology Funding Increase
6	Worker's Compensation Hearing Delays
7	Restore Turnover Adjustment for Worker's Compensation Administrative Law Judges
10	Fond du Lac Roof Replacement
14	Wisconsin Conservation Corps -- Consolidation of Appropriations
17	Governor's Work-Based Learning Board -- Appropriation Structure

### LFB Summary Item to be Addressed in a Subsequent Paper

Item #	Title
2	Division of Vocational Rehabilitation -- Increased Funding for Case Services

MO# \_\_\_\_\_

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_



WORKFORCE DEVELOPMENT -- EMPLOYMENT,  
TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Prevailing Wage Rate--Contractor Records

Motion:

Move to require all contractors and subcontractors that work on a project subject to the provisions of the state prevailing wage laws to maintain payroll records of covered employees and to allow the public to inspect these records except for information that could be used to identify individual employees under the state public records law.

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Note:

Under current law, DWD determines the prevailing wage rates for all types of state and local public works projects and investigates alleged violations of the prevailing wage requirements. Each contractor and subcontractor that performs work on a project subject to the prevailing wage provisions is required to maintain payroll records. DWD and the contracting agency are authorized to obtain and examine those records. In addition, the Department is authorized to inspect the records at the request of any person. Once the Department or other public agency obtains the records they become public records.

This motion would require all contractors and subcontractors that work on projects subject to state prevailing wage laws to maintain payroll records for the projects as public records. However, the records could not include information that could be used to identify individual employees.

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 13 NO 3 ABS



WORKFORCE DEVELOPMENT -- EMPLOYMENT, TRAINING  
AND VOCATIONAL REHABILITATION PROGRAMS

Repair, Expansion and Construction of Migrant Labor Camps

Motion:

Move to modify current law regarding migrant labor camps to provide that the county board may not enact an ordinance or resolution that interferes with: (a) the repair or expansion of a certified migrant labor camp, as defined under current law; or (b) the construction of a new migrant labor camp on property adjacent to a food processing facility, as defined under current law, or on property owned by a vegetable producer, as defined under current law, when such camp is located on or contiguous to property on which vegetables are produced or adjacent to land upon which the producer resides. Also, provide that a county board ordinance or resolution in place on the effective date of this provision which interferes with any construction, repair, or expansion of a migrant labor camp is void.

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Note:

Under current law, the county board may not enact an ordinance or adopt a resolution that interferes with any repair or expansion of migrant labor camps, as defined under current law, that are in existence on May 12, 1992, if the repair or expansion is required by administrative rule promulgated by the Department of Workforce Development (DWD). A county board ordinance or resolution of the county that is in effect on May 12, 1992, and that interferes with any repair or expansion of existing migrant labor camps that is required by a DWD administrative rule is void.

MO#

2 BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS 0

WORKFORCE DEVELOPMENT--EMPLOYMENT, TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Child Labor Law--Employment in Agriculture

Motion:

Move to adopt the provisions of LRB0111/1 a Senate Substitute Amendment to Senate Bill 174 that relates to establishing the definition of "farming" under the state workers compensation law as the definition for state law provisions related to the employment of minors.

Note:

Under current law, minors must be at least 12 years old to be employed in agricultural pursuits. There are certain limits on the hours of work for minors except for minors employed in domestic service or farm labor. Currently, DWD does not have a specific definition of agriculture under child employment provisions. The Department has been using the definition of farming under the state workers compensation program. This motion would establish the definition of farming used under the state worker's compensation law as the definition used under laws governing the employment of minors.

MC#	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	
	BURKE	DECKER	MOORE	SHIBILSKI	PLACHE	WIRCH	DARLING	WELCH	GARD	KAUFERT	ALBERS	DUFF	WARD	HUEBSCH	HUBER	COGGS
	AYE <u>16</u> NO <u>0</u> ABS <u>0</u>															

# Temporary Assistance to Needy Families (TANF)

## *Bill Agency*

<u>Paper #</u>	<u>Title</u>
1040	TANF Overview
1041	Revised Estimates for Wisconsin W
	<b>W-2 Agency Contracts</b>
1042	W-2 Contract Allocations
1043	W-2 Contract Policy Issues
1044	W-2 Financial Oversight
	<b>Child Care</b>
1045	Direct Child Care Program
1046	Program Reduction Options to Pay for Child Care Subsidies
1047	Programs to Improve Child Care Quality and Availability
1048	Child Care Licensing Funding (DHFS -- Children and Families)
1049	Child Care Local Pass-Through Program
	<b>Other Current Programs in DWD and DHFS</b>
1050	Kinship Care Funding (DHFS -- Children and Families)
1051	Food Stamps for Qualified Immigrants
1052	Fatherhood Initiative
1053	Public Assistance Collection Unit
	<b>DWD Appropriations Structure</b>
1054	Federal Block Grant Appropriations
1055	Joint Committee on Finance Authority to Review Expenditures of Federal TANF and Child Care Block Grant Funds

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M...  
S...

Representative Gard  
Senator Moore  
Senator Plache

## TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

### Omnibus Funding Motion

#### Motion:

Move to approve the Governor's recommendations contained in the Fiscal Bureau Papers #517 (Part B) and #1041 through #1057 with the following modifications:

1. LFB Paper #517. Alternative B1. Approve the Governor's recommendation to authorize DHFS to distribute substance abuse treatment grants to all counties rather than Milwaukee County, exclusively. Require that allocated but unexpended funds for these substance abuse treatment grants on June 30 of each year be transferred to the Wisconsin Works and other public administration and benefits appropriation in DWD. Specify the effective date of this change would be January 1, 2002.

2. LFB Paper #517. Transfer \$1,000,000 GPR annually from DWD to DHFS for substance abuse services grants. Increase TANF funding in DWD by \$1,000,000 annually to replace the GPR. Specify that no less than \$2,000,000 of the total annual grant funding be awarded to Milwaukee County or private, nonprofit organizations in Milwaukee County. In addition, specify that no more than \$4,000,000 of the total annual grant funding be awarded to counties and private, nonprofit organizations throughout the state. Require DHFS to distribute substance abuse services grants that are not earmarked specifically for services in Milwaukee County to counties and private, nonprofit organizations in counties, including Milwaukee County, based on the distribution of families with income at or below 200% of the federal poverty level.

3. LFB Paper #1041. Modification. Modify the Governor's proposal to account for the following inadvertent errors and reestimates: (a) a reduction in GPR supporting the TANF program of \$275,000 annually; (b) an increase in program revenue in DWD of \$117,300 in 2001-02 and \$122,200 in 2002-03; (c) a reduction in CCDF revenue of \$16,105,400 in 2001-02 and \$81,100 in 2002-03; (d) a decrease in federal food stamp revenue of \$275,100 annually; (e) an increase in the TANF carryover estimate from 2000-01 to 2001-02 of \$48,081,900; (f) a decrease of \$947,000 in 2001-02 for administration and services in the current W-2 contracts; (g) a decrease of \$53,600 for performance bonuses associated with the current W-2 contracts; (h) a decrease of \$3,029,500 in 2001-02 and \$20,100 in 2002-03 for community reinvestment activities associated with the 2000-2001 W-2 contracts; (i) an increase of \$8,972,300 in 2001-02 and a decrease of \$48,800 in 2002-03 in programs to improve child care quality and availability; (j) an increase of \$7,715,800 in 2001-02 and a decrease of \$227,900 in 2002-03 for the local

pass-through program; (k) an increase of \$190,600 annually for the kinship care program to correct an inadvertent error; (l) an increase of \$1,856,200 in 2001-02 and \$3,024,400 in 2002-03 for the caretaker supplement program to correct an inadvertent error and to fully fund the program; (m) an increase of \$50,100 in 2001-02 and \$62,600 in 2002-03 for state administration to correct an inadvertent error; (n) a decrease of \$18,800 in 2001-02 and \$25,100 in 2002-03 for fraud and front-end verification to correct an inadvertent error; (o) an increase of \$3,645,900 in 2001-02 for the early childhood excellence program; and (p) a decrease of \$4,800 annually for adolescent services/ pregnancy prevention programs to correct an inadvertent error.

4. LFB Paper #1042. Alternative 2. Deny the recommended increase in W-2 benefits, which would provide benefits for 7,244 families on a monthly basis as opposed to 7,651 families under the Governor's proposal, resulting in a decrease of \$1,386,500 FED in 2001-02 and \$2,773,000 FED in 2002-03.

5. LFB Paper #1042. Alternatives 6a and 6b. Transfer food stamp and MA eligibility determination from the W-2 contracts to the income maintenance contracts and: (a) delete the provision in current law requiring W-2 agencies to certify eligibility for and issue food stamps, to the extent permitted by federal law or a waiver from the U.S. Department of Health and Human Services; and (b) delete the provision in current law allowing W-2 agencies to administer MA eligibility determination to the extent permitted by federal law or a waiver from the U.S. Department of Health and Human Services.

6. LFB Paper #1042. Alternative 7b. Decrease the allocation for administration and services in the W-2 contracts by 5% from the Governor's recommendation (net of amounts for MA and food stamp eligibility determination) for a total savings of \$2,611,100 FED in 2001-02 and \$5,222,200 FED in 2002-03. Modify the statutes to specify that funding allocated under the contracts for benefits may not be transferred to the allocation for services and administration, effective January 1, 2002.

7. LFB Paper #1042. Alternative 8a. Reduce the allocation for performance bonuses in 2001-02 by \$1,951,800 FED to reflect the amount of bonuses agencies are projected to receive based on calendar year 2000 performance.

8. LFB Paper #1042. Alternative 9b. Instruct DWD to place an amount equal to 4% of the contract amount for performance bonuses in the contract terms for the 2002-2003 W-2 contracts. Specify that agencies would be eligible for the first 2% if they meet the performance standards set in DWD's draft contract terms for community reinvestment. Specify that agencies would be eligible for the second 2% if they meet the performance standards in DWD's draft contract terms for unrestricted performance bonuses.

9. LFB Paper #1042. Modify the allocation for the last six months of community reinvestment funding associated with the 1997-99 W-2 contracts (\$20,849,000) by: (a) directing DWD to not extend the deadline for expending funds for community reinvestment associated with the 1997-1999 W-2 contracts past December 31, 2001; (b) specifying that any community reinvestment funds not expended by that date would be placed in the Joint Committee on Finance's program supplements appropriation to be used as a contingency fund for W-2 cash benefits, child

care subsidies and kinship care benefits.

10. LFB Paper #1042. Alternative 12b. Reduce the allocation for community reinvestment in 2001-03 by \$12,734,800 FED to reflect not rebudgeting funds that were unspent in 1999-01 for the first six months of community reinvestment associated with the 1997-1999 W-2 contracts.

11. LFB Paper #1042. Alternative 15. Direct DWD to eliminate community reinvestment funding from the 2002-2003 W-2 contracts.

12. LFB Paper #1043. Require DWD to hold public hearings and consult with the Milwaukee County Department of Human Services prior to implementing any changes to the W-2 geographic regions.

13. LFB Paper #1044. Alternative 4. Eliminate \$500,000 annually for the Milwaukee Private Industry Council. Modify the statutes to require DWD to perform the following oversight and coordination functions for W-2 agencies in Milwaukee County: (a) monitor agencies' compliance with the provisions in their contracts; (b) provide technical assistance; and (c) assist in the coordination of W-2 services among the five Milwaukee County W-2 agencies.

14. LFB Paper #1045. Delete the statutory language allowing DWD to submit a plan to the Secretary of DOA for approval to limit participation in the Wisconsin Shares program if DWD determines that funds allocated for child care subsidies are insufficient to provide a subsidy to eligible recipients.

15. LFB Paper #1046. Provide additional funding for child care subsidies of \$32,025,000 FED in 2001-02 and \$63,075,000 FED in 2002-03.

16. LFB Paper #1046. Alternative 4. Reduce funding for the following items: (a) employment skills advancement program (\$100,000 annually); (b) children first (\$1,660,000 annually); (c) state administration (\$18,800 in 2001-02 and \$25,100 in 2002-03); (d) work-based learning programs (\$6,399,000 in 2001-02 and \$2,000,000 in 2002-03); (e) workforce attachment and advancement (\$359,000 in 2001-02 and \$5,000,000 in 2002-03); (f) early childhood excellence (\$5,000,000 in 2002-03); and (g) early pregnancy identification (\$100,000 annually).

17. LFB Paper #1047. Revise the statutory provisions relating to the indirect child care allocation for 2001-03 to allow funds to be used for a child care scholarship and bonus program, safe child care activities and the DWD Office Child Care.

18. LFB Paper #1047. Alternative 4. Decrease funding for indirect child care to reflect a reduction of: (a) \$750,000 annually for resource and referral agencies; and (b) \$182,200 annually for day care administration for Milwaukee County foster parents.

19. LFB Paper #1047. Eliminate \$1,000,000 FED annually of funding for child care quality improvement grants and provide \$1,000,000 FED annually for a high quality child care demonstration project in Racine County.

20. LFB Paper #1048. Alternative 1a. Delete 4.0 PR positions in DHFS's Bureau of Regulation and Licensing, beginning in 2001-02.

21. LFB Paper #1049. Alternative 7. Provide GPR of \$1,395,300 in 2001-02 and \$8,604,700 in 2002-03 to access federal child care matching funds of \$2,032,200 in 2001-02 and \$12,164,500 in 2002-03 to be used for child care subsidies.

22. LFB Paper #1050. Alternative A2. Increase funding for kinship care benefits by \$96,700 PR in DHFS annually to reflect current estimates of kinship care payments made by DHFS and the counties. Increase TANF funding in DWD by a corresponding amount.

23. LFB Paper #1050. Authorize the Joint Committee on Finance to supplement the kinship care appropriation under s. 16.515 if the amounts budgeted for the program are insufficient to fund benefits payments to eligible families.

24. LFB Paper #1051. Alternative 2. Provide an additional \$195,000 FED in 2001-02 and \$400,000 FED in 2001-02 for the state food stamp program for qualified immigrants to reflect recent caseload projections.

25. LFB Paper #1052. Alternative A4. Delete funding for the fatherhood initiative (\$200,000 FED annually).

26. LFB Paper #1053. Alternative 2. Delete the 2.0 positions recommended by the Governor and direct DWD to reallocate 2.0 FTE to the public assistance collections unit. Convert proposed TANF and CCDF expenditures of \$18,800 in 2001-02 and \$25,100 in 2002-03 to PR expenditures to reflect that 0.5 FTE could be supported by PR received from enhanced collections.

27. LFB Paper #1053. Alternative 6. Delete the proposed statutory provisions that would provide DHFS with the option to either contract with DWD or set up its own system for fraud investigation and error reduction for recipients of MA. Under this option, DWD would continue to be required to conduct state and local error reduction activities and overpayment collections for the MA program and there would be no funding transfers between departments.

28. LFB Paper #1054. Alternative 2. Modify the general definition of "continuing appropriations" to clarify that PR, FED and SEG continuing appropriations can be provided on a sum certain basis.

29. LFB Paper #1054. Alternative 4a. and b. Modify s. 49.175 to clarify that DWD, subject to approval by DOA, can only reallocate funds among allocations within a specific fiscal year and that funds can only be reallocated for purposes permitted by the original appropriation.

30. LFB Paper #1054. Alternative 5. Require DWD to submit an annual report of expenditures in the TANF program to both the Secretary of the Department of Administration and the Joint Committee on Finance by November 1<sup>st</sup> of each fiscal year.

31. LFB Paper #1054. Alternative 6. Maintain DWD's federal block grant aids and



operations appropriations as annual appropriations.

32. LFB Paper #1055. Alternative 1b. Require DWD to obtain approval from the Secretary of the Department of Administration and the Joint Committee on Finance, through a 14-day passive review process, for any proposed reallocation within the TANF program if the amount exceeds 5% per allocation per year.

33. LFB Paper #1056. Alternative 2. Allow penalties paid by counties and tribes to be used for food stamp reinvestment activities as follows:

a. Modify s. 20.445(3)(L) of the statutes to do the following: (1) allow the appropriation to receive funds from counties or tribal governments as a result of DWD's error-reduction activities; (2) allow the appropriation to be used to pay sanctions imposed on the state under the food stamp program or to fund food stamp reinvestment activities; and (3) allow the appropriation to be used for both local and state activities.

b. Repeal s. 20.445(3)(Lm) and transfer all unencumbered continuing balances in the appropriation to s. 20.445(3)(L);

c. Delete language in s. 49.197(3) requiring the Department to fund all fraud and error reduction activities under s. 20.445(3)(L) since some error reduction activities would not be funded under that appropriation; and

d. Increase funding by \$975,000 PR annually to reflect revenues anticipated to be received from penalties levied on counties for food stamp payment errors and existing excess revenue from overpayment collections. Reduce GPR by \$450,000 in 2001-02 to reflect a net reduction in the amount of GPR needed for food stamp reinvestment activities.

34. LFB Paper #1057. Alternative 2. Make the following technical and clarifying statutory changes: (a) delete the definition of "income maintenance worker"; (b) clarify that DWD and DHFS would jointly contract for the costs of administering both BadgerCare and MA; (c) delete Wisconsin Works from the definition of the income maintenance program; (d) retain county administration of child care in the definition of the income maintenance program; and (e) allow DHFS and DWD to contract with tribes for MA administration and allow DWD to contract with tribes for food stamp administration.

35. LFB Paper #1057. Alternative 3. Adjust DWD's appropriation schedule to reflect \$58,341,600 PR annually anticipated to be received under the bill from DHFS for payments to counties for eligibility determination, CARES maintenance and other administrative functions. Specify that these funds would be placed in unallotted reserve in DWD.

36. Provide \$100,000 FED annually to the Wisconsin Trust Account Foundation (WisTAF) to distribute to grantees for the provision of direct civil legal services to low-income individuals in the state. Retain the statutory provisions relating to providing TANF funding for WisTAF.

37. Provide \$100,000 FED annually to the Wausau school district for the provision of English as a second language services for low-income Southeast Asian children ages 3 to 5.

38. Delete \$1,000,000 FED annually in W-2 transportation assistance.

39. Provide \$500,000 FED annually for community youth grants and specify that this funding be used for the Boys and Girls Clubs of America.

Note:

The motion would fully fund the projected child care subsidy shortfall of \$95.1 million over the biennium by appropriating \$10 million GPR, which would leverage federal matching funds of \$14.2 million, and making a number of expenditure reductions in TANF-related programs. It is estimated that the TANF balance would be \$233,200 at the end of 2002-03. The motion would also make a number of expenditure reestimates, corrections and modifications and various programmatic changes.

[Change to Bill: \$9,550,000 GPR, \$118,870,500 PR and \$81,639,000 FED; and -6.00 PR positions]

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS \_\_\_\_\_

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

W-2 Contract Policy Issues

[LFB Paper #1043]

Motion:

Direct DWD to modify its contract terms for the 2002-2003 W-2 contracts to allow agencies to receive a one-case credit only to meet the base contract and right of first selection benchmark, and not to receive the community reinvestment bonus or the unrestricted bonus.

Direct DWD to amend its contract terms for the 2002-2003 W-2 contracts to make one or more of the following changes to the performance standards:

a. Modify the extension requests standard to require timely processing and CARES documentation of requests as a base contract and right of first selection requirement. Eliminate the use of this standard in determining community reinvestment funds and unrestricted bonus funds.

b. Modify the customer satisfaction standard to distribute unrestricted bonus funds to all agencies that have an average score exceeding 6.5 on each survey item, instead of providing unrestricted bonuses only to the top-10 scoring agencies.

c. Modify the financial management standard to require "significant audit finding" to include an audit finding of unallowable or questioned costs of a certain percentage of the contract amount.

Modify the statutes to require DWD to utilize a competitive process to select W-2 agencies starting with the 2004-2005 contracting process, using criteria including but not limited to cost and prior experience, unless it opts to re-contract with agencies based on standards developed by the Department. Direct DWD to modify its contract terms for the 2002-2003 W-2 contracts to reflect this policy change for the 2004-2005 contracts. This would provide DWD with the flexibility to utilize either a competitive process or right of first selection process.

Modify the statutes to specify that right of first selection would not apply for the 2004-2005 W-2 contracts in cases where the geographic area had been changed, effective for the 2004-2005 contracts. Direct DWD to amend the contract terms for the 2002-2003 contracts to state that the right of first selection will not apply for the 2004-2005 contracts in cases where the geographic area has been changed.

Direct DWD to modify its contract terms for the 2002-2003 W-2 contracts to specify that penalties for unallowable expenditures would be 50% of the unallowable amount.

MO# \_\_\_\_\_

BURKE	Y	N	A
DECKER	Y	N	A
2 MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS \_\_\_\_\_