

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/7/99

Received By: malaigm

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau 6-6-8849

By/Representing: Shanovich (RR)

This file may be shown to any legislator: NO

Drafter: malaigm

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Alt. Drafters:

Subject: **Employ Priv - job training**

Extra Copies:

Pre Topic:

LFB:.....Shanovich (RR) -

Topic:

Career counseling centers (LFB paper #1060)

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	malaigm 06/9/99	gilfokm 06/9/99		_____			
/1			martykr 06/10/99	_____	lrb_docadmin 06/10/99		

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1/?	malaigm	1-6-9-99 Kmg	Km 10	Wlj 6 Km 10			

FE Sent For:

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Legislative Fiscal Bureau

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

June 1, 1999

Joint Committee on Finance

Paper #1060

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

[LFB 1999-01 Budget Summary: Page 664, #1]

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 Connecting Education and Work (CEW) in the Department of Workforce Development (DWD) administers the program.

GOVERNOR

delete { Transfer responsibility to administer the career counseling center program to the Governor's Work-Based Learning Board and authorize the Board to award grants under the program. A separate, program revenue appropriation would be created and annual expenditure authority of \$300,000 PR would be provided for career counseling center grants. The Secretary of Administration would be required to transfer \$300,000 in each year from the unemployment insurance interest and penalty payments appropriation to provide program revenue funding for the grant program.

DISCUSSION POINTS

1. Any career counseling center funded under the career counseling center program is required to provide students with access to comprehensive career education and job training information, including information regarding options in vocational and technical education programs. The center may also assist students in locating apprenticeship and other work experience opportunities related to the student's education. The center is required to coordinate its services with the counseling and guidance activities and the education for employment program of the school

districts served.

2. Career counseling centers are operated by teams that include groups such as private industry councils, Wisconsin Technical College System (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.

3. DWD is authorized to award grants to nonprofit corporations or public agencies to operate career counseling centers. The grants 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 project cost. Grant recipients are not guaranteed funding in the second or subsequent years of operation of the centers.

4. Table 1 shows state GPR, program revenue and federal funding for the career counseling centers under current law from 1994-95 through 2000-01. DWD (then DILHR) allocated a total of \$1.2 million in GPR and federal funding in 1994-95 to establish eight centers in the fall of 1994. The table shows that state GPR funding ended in fiscal year 1996-97. Federal School-to-Work Opportunities Act (STOWA) funding ended in fiscal year 1997-98. Under the provisions of 1997 Act 27 (the 1997-99 biennial budget), DWD was authorized to allocate \$300,000 PR from the unemployment insurance interest and penalty appropriation for career counseling center grants in fiscal years 1997-98 and 1998-99. In addition, approximately \$128,800 in unused federal STOWA grant funding was carried over into 1998-99 to fund start-up costs associated with opening the Wausau, Watertown and Racine area centers. However, funding is not provided after 1998-99.

TABLE 1

**Total State and Federal Funding for Career Counseling Center Grants
Under Current Law**

<u>Fiscal Year</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
1994-95	\$600,000	\$600,000	\$0	\$1,200,000
1995-96	200,000	850,000	0	1,050,000
1996-97	0	900,000	0	900,000
1997-98	0	71,200	300,000	371,200
1998-99	0	128,800	300,000	428,800
1999-00	0	0	0	0
2000-01	0	0	0	0

5. Table 2 shows the distribution of career counseling center grants to each of the eleven centers for fiscal year 1998-99.

TABLE 2
Career Counseling Center Grants, 1998-99

<u>Location</u>	<u>Grant Amount</u>	<u>Operation Start Date</u>
Appleton area	\$32,000	Fall, 1994
Ashland area	22,000	Fall, 1994
Milwaukee County	43,000	Fall, 1994
West Bend area	17,000	Fall, 1994
Green Bay area	21,000	Spring, 1995
La Crosse area	25,000	Spring, 1995
Madison area	26,000	Spring, 1995
Waukesha County	15,000	Spring, 1995
Jefferson County	33,000	Spring, 1998
Wausau area	133,000	Spring, 1998
Racine area	<u>61,800</u>	Spring, 1998
Total	\$428,800	

6. The 11 career counseling centers work with 98 of Wisconsin's 426 school districts and serve about 141,000 youth a year. Program evaluations conducted by UW-Stout and the UW Center for Education and Work indicate that the career counseling centers are providing services that are valuable to both youths and adults. The studies indicate that the program has a positive effect on individuals who use the centers. In addition, centers are able to provide information about high skill, high demand job opportunities at non-traditional times (such as evenings) and places (such as shopping malls) that make it convenient for students. In this way, the centers supplement school counselors who are generally available during the day.

7. As noted, under current law, state GPR funding for the career counseling centers was eliminated in 1996-97 and federal and state program revenue funding will be eliminated in 1998-99. CEW indicates that, even though the centers are able to generate varying degrees of local financial support, there is little consistency from center to center and most would appear not capable of continuing for any sustained period without a steady source of revenue. CEW believes it is necessary to identify a funding source to replace federal funding and provide a state contribution on an ongoing basis.

8. AB 133 would require the Secretary of Administration to transfer \$300,000 in each year from the unemployment insurance (UI) interest and penalty payments appropriation to provide program revenue funding for the career counseling center grant program. The sources of funds for

the appropriation are: (a) employer penalties for failure to submit or late submission of UI reports, such as quarterly wage reports; and (b) interest assessed against employers for each month required UI payments are delinquent.

9. The UI interest and penalty appropriation is used to fund: (a) unemployment research; (b) administration of employment service programs; (c) administration of unemployment insurance programs; (d) certain interest payments, such as interest to employers who have erroneously paid UI benefits; and (e) payments to the federal government for incorrectly paid UI benefits (federal audit exceptions). In addition, 1997 Wisconsin Act 39 required that \$1,000,000 be appropriated from the UI interest and penalty appropriation to a separate continuing program revenue appropriation to fund development and implementation of major UI information technology system improvements. Funding is transferred on a monthly basis from the interest and penalty appropriation to the unemployment reserve fund research appropriation and the employment security administration appropriation for the research and administrative activities related to those appropriations. Under AB 133, a total of 16.50 positions would be funded from those appropriations.

10. Under the provisions of 1993 Wisconsin Act 16 (the 1993-95 biennial budget) monies from the interest and penalties appropriation (\$624,600 in 1993-94 and \$1,819,600 in 1994-95) were lapsed to the general fund to provide 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, purchase employment security buildings and, as noted above, develop information technology systems.

11. Table 3 shows the estimated balances in the unemployment insurance interest and penalty appropriation for each year of the biennium, under the provisions of AB 133. The table shows that there would be sufficient revenues to provide \$300,000 annually for career counseling centers. However, the projected year-end balance in the appropriation would decrease from \$712,000 in 1998-99 to \$28,100 in 2000-01.

TABLE 3**Unemployment Interest and Penalty Payment Appropriation Balance**

	<u>1999-00</u>	<u>2000-01</u>
Opening Balance	\$712,000	\$498,500
Program Revenue	<u>1,950,000</u>	<u>1,950,000</u>
Total Revenue	\$2,662,000	\$2,448,500
Transfer to Employment Security Administration	\$1,353,800	\$1,372,900
Transfer to Unemployment Reserve Fund Research	<u>263,700</u>	<u>251,500</u>
Revenue after Transfers	\$1,044,500	\$824,100
Appropriation Expenditures	\$246,000	\$246,000
Audit Reserve	0	250,000
Transfer to Career Counseling Centers	<u>300,000</u>	<u>300,000</u>
Ending Balance	\$498,500	\$28,100

12. There are 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 UI claimants and 3.0 positions that conduct research on UI issues. With ongoing revenues and expenditures both about \$2 million, the lack of a significant balance to carry over could result in insufficient funds for the positions in the 2001-03 biennium. The appropriation also provides a backup for UI administrative funding, funds certain benefit payments for employees of nonprofit organizations and funds 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.

13. Table 2 shows that, in 1998-99, six of the career counseling centers received grants of \$26,000 or less. As an alternative, the Committee could reduce the annual amount transferred from \$300,000 to \$220,000. This would provide total funding that would be sufficient to fund grants of \$20,000 to each center and leave a 2000-01 ending balance in the interest and penalty appropriation of \$188,000. A second alternative would be to delete the transfer and provide \$300,000 GPR annually.

14. 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. However, the three centers that started in 1998-99 would

receive no second or third year grants if funding is deleted.

15. The federal Workforce Investment Act requires states to offer federally funded employment, education, training and information services at a single location. The state's Job Center network is a key component of Wisconsin's plan to meet the requirements of the Act. Currently, there are 76 job center sites throughout the state. All of the career counseling centers are located in the same municipality or county as a job center.

16. Job centers and career counseling centers have 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 some referral of persons between centers.

17. While the duties and typical clients of the two types of centers may differ, it could be argued 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 required under the federal Workforce Investment Act.

ALTERNATIVES

1. Approve the Governor's recommendation to transfer responsibility to administer the career counseling center program to the Governor's Work-Based Learning Board and authorize the Board to award grants under the program. Create a separate, program revenue appropriation and provide annual expenditure authority of \$300,000 PR for career counseling center grants. Require the Secretary of Administration to transfer \$300,000 in each year from the unemployment insurance interest and penalty payments appropriation to provide program revenue funding for the grant program.

2. Modify the Governor's recommendation to reduce the annual amount of funding transferred for career counseling center grants from the UI interest and penalty appropriation from \$300,000 to \$220,000.

Alternative 2	PR
1999-01 FUNDING (Change to Bill)	- \$160,000

3. Modify the Governor's recommendation to delete program revenue funding for career counseling center grants from the UI interest and penalty appropriation and, instead, provide \$300,000 GPR annually for career counseling center grants.

Alternative 3	GPR	PR	TOTAL
1999-01 FUNDING (Change to Bill)	\$600,000	- \$600,000	\$0

4. Delete the Governor's recommendation and direct DWD to consolidate career counseling center functions in job centers.

<u>Alternative 4</u>	<u>PR</u>
1999-01 FUNDING (Change to Bill)	-\$600,000

5. Maintain current law.

<u>Alternative 5</u>	<u>PR</u>
1999-01 FUNDING (Change to Bill)	-\$600,000

Prepared by: Ron Shanovich



State of Wisconsin
1999 - 2000 LEGISLATURE

Druck

LRBb0567/1

GMM... *king*

LFB:.....Shanovich (RR) – Career counseling centers (LFB paper #1060)
FOR 1999-01 BUDGET – NOT READY FOR INTRODUCTION
LFB AMENDMENT
TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

At the locations indicated, amend the bill as follows:

2

✓ 1. Page 438, line 1: delete lines 1 to 15.

3

✓ 2. Page 444, line 19: delete lines 19 to 22.

4

✓ 3. Page 972, line 25: delete “or 106.14” and substitute “106.14”.

5

✓ 4. Page 973, line 6: delete “ss. 106.13 and 106.14” and substitute “s. 106.13”.

6

✓ 5. Page 977, line 8: delete lines 8 to 24 and substitute:

~~SECTION 2025d.~~ 106.14 (1) of the statutes, as affected by 1997 Wisconsin Act

8

27, section 2679, is amended to read:

~~NOTE: NOTE: Sub. (1) is repealed and recreated eff. 7-1-99 by 1997 a. 27 to read: NOTE:~~

9

106.14 (1) ~~The department may award grants to nonprofit corporations and public agencies~~
for the provision of shall provide a job center network throughout the state through which job
seekers may receive comprehensive career planning, job placement and job training information.
As part of the job center network, the department shall provide career counseling centers
throughout the state at which youths may receive the services specified in sub. (2).

History: 1993 a. 16; 1995 a. 27 ss. 3713, 3770m and 3770p; Stats. 1995 s. 106.14; 1997 a. 27.

20-445 (1) (3)

*20-445
106.14*

*Front
1-6*

*SWPO:
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2024
[Insert 1-6] ✓
Section # 106.14 (title) of the statutes is amended to read:

③ Job centers and career

106.14 (title) Career counseling centers.

History: 1993 a. 16; 1995 a. 27 ss. 3713, 3770m and 3770p; Stats. 1995 s. 106.14; 1997 a. 27.

(edit insert)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0567/1dn

GMM...: King

Ron:

Current law does not define ^{stat} ~~the statute~~ a "job center network" provided by DWD. Accordingly, this amendment, in order to consolidate the career counseling centers into the job center network, first requires DWD to provide a job center network, which DWD is already doing anyway.

Also, I take it that the career counseling center grant program is history. Accordingly, s. 106.14 (1) is amended and s. 106.14 (3) and (4) ~~are~~ ^{is} repealed to delete references to that program.

Gordon M. Malaise
Senior Legislative Attorney
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E-mail: Gordon.Malaise@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0567/1dn
GMM:kmg:km

June 10, 1999

Ron:

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Gordon M. Malaise
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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0567/1
GMM:kmg:km

LFB:.....Shanovich (RR) – Career counseling centers (LFB paper #1060)

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

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4 **3.** Page 972, line 25: delete “or 106.14” and substitute “106.14”.

5 **4.** Page 973, line 6: delete “ss. 106.13 and 106.14” and substitute “s. 106.13”.

6 **5.** Page 977, line 8: delete lines 8 to 24 and substitute:

7 “SECTION 2024t. 106.14 (title) of the statutes is amended to read:

8 **106.14** (title) **Career Job centers and career counseling centers.**

9 **SECTION 2025d.** 106.14 (1) of the statutes, as affected by 1997 Wisconsin Act

10 27, section 2679, is amended to read:

