



(Gov) Agency: DWD -- Work-Based Learning Board
Youth Apprenticeship Training Grants

Recommendations:

Card 26

Paper #1056: ~~Alternative 3~~ (maintain current law)

Comments: The governor would transfer administration of the youth apprenticeship program from DWD to the governor's new board.

Moving the program around would provide no discernable benefit.

Alternative 3 would maintain current law and adjust funding to reflect a more recent estimate of lapsed funding from the youth apprenticeship training grant program.

Prepared by: Bob



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June 1, 1999

Joint Committee on Finance

Paper #1056

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

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

CURRENT LAW

The youth apprenticeship program provides high school juniors and seniors with the option of enrolling in a 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 Department of Workforce Development (DWD) is authorized 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 maximum training grant is \$500 per year and a grant cannot be awarded for a specific youth apprentice for more than two school years.

GOVERNOR

Transfer the current youth apprenticeship training grant program, funding and appropriation to the Governor's Work-Based Learning Board. Authorize the Board to administer the program and approve occupations and curricula for the occupations. Transfer total youth apprenticeship training grant annual base level funding of \$1,150,000 GPR to a new local youth apprenticeship program and create in a new GPR appropriation for the program. Under the local youth apprenticeship program, the Board would award grants to applying local partnerships for the implementation and coordination of local youth apprenticeship programs. Increase the appropriation for the local youth apprenticeship grant program in 1999-00 by an amount equal to the amount which lapses to the general fund from the current youth apprenticeship appropriation at the end of fiscal year 1998-99.

DISCUSSION POINTS

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

2. The first occupations developed for the program were printing in 1992-93 and financial services in 1993-94. As of the fall of 1998, 18 curricula had been completed or substantially completed. Table 1 lists these curricula with the implementation year and number of pupils enrolled in the spring of 1999.

TABLE 1

Youth Apprenticeship Curriculum and Enrollment

<u>Occupation</u>	<u>Year Implemented</u>	<u>1998-99 Enrollment*</u>
Graphic Arts/Printing	1992	147
Financial Services	1993	190
Auto Technician	1994	279
Biotechnology	1994	19
Drafting and Design/Architecture	1994	5
Health Services	1994	296
Hotel & Motel Operations	1994	38
Insurance	1994	0
Manufacturing/Machining	1994	155
Auto Collision	1995	54
Drafting & Design/Engineering	1995	32
Drafting & Design/Mechanical Design	1995	16
Manufacturing/Production Technician	1995	105
Tourism	1996	50
Manufacturing/Plastics	1998	13
Logistics	1998	5
Production Agriculture	1998	17
Information Technology	1998	2
Total		1,423

*January 1, 1999

3. The youth apprenticeship program began in the 1992-93 school year in West Bend and the Fox Valley with 17 pupils in the printing program. These pupils graduated with a printing skills certificate in May, 1994. In the spring of 1999, at least 1,423 youth apprentices in 54 communities will study in one of the 18 curricula listed in Table 1. This number may increase during the 1999-00 school year as additional pupils enroll in new or existing programs.

4. As noted, CEW is authorized to award grants of up to \$500 per student to employers that hire youth apprentices during the school year. A total of \$690,000 GPR in 1997-98 and \$1,150,000 GPR in 1998-99 was appropriated for youth apprenticeship training grants.

5. The current school-to-work program includes local partnerships, youth apprenticeships, career counseling centers, technical preparation, youth options and at-risk youth programs. Local partnerships develop and implement school-to-work programs at the local level. Local programs must meet federally established requirements and state standards established by DPI, DWD and the WTCS Board. Local partnerships can include employers, school districts, cooperative educational service agencies (CESAs), post-secondary educational institutions, WTCS districts, labor organizations, private industry councils, chambers of commerce, local government agencies, parent organizations, teacher organizations and student organizations. Local programs are required to have components related to: (a) school-based learning; (b) work-based learning; and (c) activities connecting work-based and school-based components. Wisconsin has 31 local partnerships that provide local school-to-work programs.

6. Local youth apprenticeship programs are provided by smaller consortia of schools, WTCS institutions, employers and labor within school-to-work local partnership areas throughout the state. Local partnerships provide administrative, program and financial support to the local youth apprenticeship programs. Each local partnership has a youth apprenticeship coordinator who acts as liaison between the participating businesses, schools and students. The coordinators' responsibilities include recruiting students and businesses, developing training sites and providing mentor training.

7. A primary source of funding for local partnerships has been federal School-to-Work Opportunities Act (STWOA) grants. The STWOA provides grants to states and local partnerships to implement local school-to-work programs. CEW is the administrative and fiscal agent for STWOA grants. The STWOA grants received by Wisconsin for each federal fiscal year were: (a) \$4.5 million in 1994-95; (b) \$9.34 million in 1995-96; (c) \$6.75 million in 1996-97; (d) \$4.5 million in 1997-98; and (e) \$2.25 million in 1998-99. The federal STWOA grant ends in 1998-99; no STWOA grant monies will be provided to Wisconsin after federal fiscal year 1998-99.

8. STWOA funds can be used for staff salaries and travel costs, professional development and training, materials and supplies, school site training, employer mentor training, purchase of technical assistance, and employer outreach. STWOA monies cannot be used to supplant other local, state or federal funds currently used to support school-to-work positions or activities. In addition, grant funds cannot be used for student wages or stipends, employer reimbursement, mentor wages or equipment. Administrative costs cannot exceed 10% of the total

budget.

9. Table 2 shows STWOA grants received by each local partnership in 1998-99. As noted, this funding will not be provided in 1999-00. (\$415,000 of the total federal STWOA grant was used to fund technical assistance, administrative costs and a program evaluations).

TABLE 2
Federal STWOA Grant Amounts Awarded to Local Partnerships
1998-99

1	CESA 2/Jefferson County	\$37,400
2	CESA 3/Southwest Wisconsin	141,900
3	CESA 4/Western Wisconsin	65,100
4	CESA 6/Oshkosh	100,700
5	CESA 7/Green Bay	152,300
6	CESA 11/Turtle Lake	7,600
7	CESA 2/Dane County	110,800
8	Beloit School District	65,100
9	Hudson School District	35,000
10	S. Milwaukee School District	46,400
11	Elkhorn School District	40,500
12	Wauwatosa School District	21,500
13	Waukesha Co. Technical College	136,400
14	Washington County	73,100
15	Eau Claire School District	21,800
16	Lakeshore Area School-to-Work	83,800
17	Marshfield Chamber Foundation	51,200
18	Milwaukee Public Schools	140,600
19	Nicolet Area Technical College	13,800
20	North Central Technical College	103,200
21	Ozaukee County	60,200
22	Northwest Wisconsin School-to-Work	24,900
23	CESA 10/Chippewa Valley	19,400
24	Monroe School District	9,000
25	Milwaukee Area Technical College-North	800
26	Franklin School District	9,000
27	Racine Area Manufacturers and Commerce	131,200
28	Fox Cities Chamber Foundation	67,200
29	Mid State Technical College	33,200
30	CESA 5/Portage	23,500
31	CESA 8/Gillett	8,300
	Total	\$1,834,900

10. The bill would transfer annual training grant funding of \$1,150,000 GPR to a new local youth apprenticeship program. Under the new program, the Board would be required to award grants to local partnerships for the implementation and coordination of local youth apprenticeship

programs. Under the bill, a local partnership would be one or more school districts, or any combination of one or more school districts, other public agencies, nonprofit organizations, individuals or other persons who agreed to be responsible for implementing and coordinating a local youth apprenticeship program. A local partnership would be required to include in its grant application the identity of each public agency, nonprofit organization, individual and other person who was a participant in the local partnership, a plan to accomplish the implementation and coordination activities that would be funded, and the identity of a fiscal agent who would be responsible for receiving, managing and accounting for the grant moneys.

A local partnership could 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 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.

f. Any other implementation or coordination activity that the Board may direct or permit.

11. Local youth apprenticeship programs have grown from 348 students, two curricula and 200 participating employers in fiscal year 1994-95 to 1,423 students, 18 curricula and over 900 participating employers in fiscal year 1998-99. This growth has been supported, in part, by federal STWOA funding. However, the federal STWOA funding will not be available after September 30, 1999. Although some local partnerships have been able to find additional funding sources, many have indicated that they would be unable to offer local youth apprenticeship programs without the additional financial support. Many schools have started youth apprenticeship programs within the past two years and have not established an ongoing funding source to continue the programs. Other youth apprenticeship programs did not expand enrollments because the federal grant funding is being eliminated. Moreover, in some cases where programs are discontinued, students will be unable to finish and not receive state skills certification. DWD indicates that program evaluations have determined that over 75% of program employers offer permanent jobs to youth apprenticeship program graduates and over 66% of the graduates work full or part-time for their employers while

attending a post-secondary education institution for further training. It is argued that it is appropriate to transfer the current employer grant funds to provide funding to local partnerships because there would be little need for employer grants if local youth apprenticeship programs are cut back or eliminated. Transferring the existing base funding for employer training grants would permit existing youth apprenticeship programs to continue and permit new programs to be established.

12. The federal STWOA grants were provided as implementation funding; the state and local partnerships were to leverage other funds to support ongoing costs. Using the youth apprenticeship training grant funds complies with this intent of the federal act. However, the level of funding of \$1,150,000 would be lower than the total amount provided through STWOA in 1998-99 (see Table 2). As noted, the Department has indicated that in response to the reduction in STWOA funding, some local partnerships have limited their financial commitment to local youth apprenticeship programs. Also, a 1998 study of the state school-to-work program by the Wisconsin Policy Research Institute found that there were too few students involved in its core work-based activities to have a significant effect on the state's workforce. Consequently, there is a question of whether the amount of funding provided from training grants would be sufficient for the youth apprenticeship program, even at its current level of participation. In addition, some would argue that cooperative education programs in high schools offer an alternative to youth apprenticeship programs. Cooperative education is a one-year, school-supervised paid work experience for junior and senior level high school students. In response to STWOA, these programs have expanded to include industry-based, state approved skills standards. From this perspective, the GPR funding could be used for another state purpose.

13. A total of \$690,000 GPR in 1997-98 and \$1,150,000 GPR in 1998-99 is provided for youth apprenticeship training grants. The bill would increase the appropriation for the local youth apprenticeship grant program in 1999-00 by an amount equal to the amount which lapses to the general fund from the current youth apprenticeship appropriation at the end of fiscal year 1998-99. The administration indicates that it was intended that the lapse amount be provided for the existing youth apprenticeship training grant program for grants to employers. It is estimated that \$940,300 will lapse from the appropriation in 1998-99 and this amount would be provided as GPR on a one-time basis for youth apprenticeship training grants in 1999-00. Current revenue estimates include an estimated 1998-99 lapse of \$700,000. Consequently, if the entire amount of lapse is provided for youth apprenticeship training grants, general fund revenues would be reduced by \$700,000 from the current estimate. As an alternative, the amount of lapse over \$700,000 (\$240,300) could be provided.

14. According to the Department, surveys indicate that that about one-third of employers that participate in the program would not have participated if the grant was not available. Moreover, 41% of employers with fewer than 100 employees would not have participated without the grants. Providing the amount of lapsed funds would permit the Department to make grants to these employers for at least one more year. As an alternative, the Committee could retain \$250,000 GPR of the current funding for grants and transfer \$900,000 for grants to local partnerships through the new program. This would provide funding sufficient to make the maximum grant for approximately one-third of the current 1,423 youth apprentices.

15. Costs incurred by participating employers include: training expenses; purchases of tools, special equipment and uniforms; workers compensation insurance payments; and a risk that the youth will move to another employer when the apprenticeship program is completed. Employers have estimated that training costs can be up to \$20,000 over two years. The Department's surveys indicate that the grants are not a decisive factor in participating in the program for most businesses. Moreover, the transfer of funding under the bill implies that the grant program is not given the same priority as other components of the school-to-work program. From this view, it could be argued to lapse the year-end balance in the appropriation to the general fund and not provide additional funding in 1999-00.

ALTERNATIVES

1. Approve the Governor's recommendation to transfer the current youth apprenticeship training grant program, funding and appropriation to the Governor's Work-Based Learning Board. Authorize the Board to administer the program and approve occupations and curricula for the occupations. Transfer total youth apprenticeship training grant annual base level funding of \$1,150,000 GPR to a new local youth apprenticeship program and create a new GPR appropriation for the program. Under the local youth apprenticeship program, require the Board to award grants to applying local partnerships for the implementation and coordination of local youth apprenticeship programs. Reestimate the amount deposited to the local youth apprenticeship grant program appropriation in 1999-00 to be \$940,300 (the estimated 1998-99 lapse)

Alternative 1	GPR
1999-01 REVENUE (Change to Bill)	\$240,300
1999-01 FUNDING (Change to Bill)	\$940,300

2. Reestimate the effect of the Governor's proposal as in Alternative 1 and modify the Governor's recommendation as follows:

a. Delete \$1,150,000 GPR annual funding and the appropriations for youth apprenticeship training grants and local youth apprenticeship training grants.

Alternative 2a	GPR
1999-01 FUNDING (Change to Bill)	- \$2,300,000

b. Delete the provision that would require the appropriation for local youth apprenticeship training grants to be increased by the amount lapsed from the current youth apprenticeship training grant program in 1998-99. This would eliminate the requirement that the amount lapsed from the youth apprenticeship training grant appropriation be transferred to the Board for grants in 1999-00.

Alternative 2b	GPR
1999-01 REVENUE (Change to Bill)	\$240,300

c. Require that the youth apprenticeship training grant appropriation rather than the local youth apprenticeship grant appropriation be increased, on a one-time basis in 1999-00, by the amount of the lapse from current appropriation.

d. Provide \$250,000 GPR in annual funding for the youth apprenticeship training grant program and \$900,000 GPR in annual funding for the local youth apprenticeship grant program.

e. Modify the lapse provision to require any amount in excess of \$700,000 that would lapse from the youth apprenticeship training grant appropriation to be placed in that appropriation under the Board rather than in the local youth apprenticeship appropriation.

Alternative 2e	GPR
1999-01 REVENUE (Change to Bill)	\$240,300
1999-01 FUNDING (Change to Bill)	\$240,300

3. Maintain current law and reestimate the 1998-99 GPR lapse from the youth apprenticeship training grant appropriation.

Alternative 3	GPR
1999-01 REVENUE (Change to Bill)	\$240,300

MO# 2b

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
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HUBER	<input checked="" type="radio"/>	N	A
RILEY	<input checked="" type="radio"/>	N	A

Prepared by: Ron Shanovich

AYE 16 NO 0 ABS _____

(Gov) Agency: DWD -- Work-Based Learning Board
Self-Paced Youth Apprenticeship Program

Recommendations:

Paper #1057: Alternative 3

Card 2

Comments: The gov proposes what is essentially a two-year option for youth apprenticeships. Not a bad idea, and one that Rep. Huber and Sen. Decker are said to be supporting.

The question is governance -- do we need a new board to do this?

Other questions involve whether this is a good use for TANF funds, and whether the amount of funding might not be excessive, given the relatively small size of the current program. Properly targeted, this probably isn't a bad use of TANF funds. The proposed amount could probably be cut in half, however, to allow time to see if the concept will fly.

Alternative 3 would administer the program through PICs, which the governor has already slated to operate the program. Maintaining current law (Alternative 4) is a perfectly OK backup.

We might see free standing motions with other governance suggested. But most likely, we'll just lose.

Prepared by: Bob



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June 1, 1999

Joint Committee on Finance

Paper #1057

TANF

Governor's Work-Based Learning Board -- Self-Paced Youth Apprenticeship Program (DWD -- Employment, Training and Vocational Rehabilitation Programs)

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

CURRENT LAW

The youth apprenticeship program provides high school juniors and seniors with the option of enrolling in a 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.

GOVERNOR

Create a self-paced youth apprenticeship program under the Governor's Work-Based Learning Board for students from families who are eligible for assistance under the federal temporary assistance to needy families (TANF) program. Transfer federal TANF funding of \$2,750,800 PR in 1999-00, \$5,453,300 PR in 2000-01, and provide 1.0 PR position in each year to the Board. Provide \$48,300 and 1.0 position annually for administration. ["TANF-eligible" is not a defined term in the statutes. Under current state law, TANF assistance through the child care program is available to families with income up to 200% of the federal poverty level.]

DISCUSSION POINTS

1. The school-to-work transition initiative is characterized by programs and curricular changes which are intended to better prepare secondary school pupils to enter the workforce,

whether immediately following high school graduation or after some type of postsecondary education. Generally, school-to-work programs are aimed at: encouraging students to plan for a career more thoroughly and at an earlier age; acquainting students with alternatives to a baccalaureate degree, such as associate degree programs and apprenticeships; and forging partnerships between K-12 schools and technical colleges, universities and businesses in order to provide distinct pathways from school to the workforce.

2. Wisconsin's school-to-work initiative is comprised of six major components: (a) local partnerships; (b) youth apprenticeships; (c) career counseling centers; (d) technical preparation (tech-prep); (e) youth options; and (f) at-risk youth programs.

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

4. Under the self-paced youth apprenticeship program, employers would hire youth apprentices and train students in industry-established skills. Funding would be provided for program coordinators, outreach, instruction, supportive services and other administrative costs. The program would be operated by local private industry councils (PICs), and would allow eligible students to meet the first year requirements of a youth apprenticeship program while also working towards a high school diploma or its equivalent. Generally, the local PICs would contract with local school-to-work partnerships for apprenticeship training. The Legislative Audit Bureau indicates that this program would be an allowable use of TANF funding.

5. Youths who are between 14 and 18 years old and from TANF-eligible families would be eligible to participate in the program. Students would be allowed to take more than one year to complete the first year of youth apprenticeship competencies in industry areas which offer a high potential for employment after graduation from high school or from post-secondary institutions. Upon completion of the first year requirements, they would receive a state-issued skills certificate documenting the competencies obtained. Participants would have the option to complete the second year of the program through special services offered by the technical colleges. Local programs could offer current youth apprenticeship industry areas or could offer skills training for industries unique to the local market.

6. Employers would interview and hire self-paced youth apprentices for 10 to 20 hours a week for at least minimum wage and with worker's compensation coverage. The employers would also train the youth to industry-established skills standards using trained mentors, evaluate the youth apprentices' job performance and comply with applicable federal and state child labor regulations.

7. The Department indicates that program coordinators would be hired or contracted for the program. The coordinators would have a number of responsibilities including: recruiting students and employers; coordinating the delivery of related instruction; developing work sites; ensuring work site mentors receive training; and identifying supportive services for students.

8. The program would require coordination between local PICs, technical colleges, job centers, business and industry organizations and labor organizations. Currently, a number of training and employment programs, including TANF-funded programs, are administered by job center partners such as PICs and W-2 agencies. For example, PICs administer federally funded Job Training and Partnership Act (JTPA) programs. The Department indicates that the Board would administer the self-paced youth apprenticeship program through local PICs. In addition, under the federal Workforce Investment Act of 1998, federally funded employment, education, training and information services are required to be provided at one location. DWD is in the process of consolidating these activities through its job centers and partner organizations. As a result, it could be argued that the self-paced youth apprenticeship program should be administered by job center partners such as PICs, rather than the Work-Based Learning Board.

9. The current youth apprenticeship training program has expanded from 348 students in two industry areas to the current level of about 1,400 in 18 industry areas. However, the growth in enrollment in the programs appears to have leveled off. A 1998 study of the state school-to-work program by the Wisconsin Policy Research Institute found that the program involved too few students in its core work-based activities to have a significant impact on the state workforce. Current youth apprentices have a relatively high level of skill development, have done well in school and are on track to graduate. Given the level of participation in the current program and the at-risk characteristics of many TANF-eligible youths, there could be a question about the level of participation in the self-paced youth apprenticeship program. From this view, TANF funding could be used in more popular or established programs.

10. As noted, the bill provides annual funding of \$48,300 PR and 1.0 PR position to administer the program. However, it is not likely that the position could be filled at the beginning of fiscal year 1999-00. Consequently, the Committee could reduce the 1999-00 funding by \$12,100 PR and provide nine months' funding or \$36,200 PR. This would reflect the time it would take to recruit, interview and fill the position.

ALTERNATIVES

1. Approve the Governor's recommendation to create a self-paced youth apprenticeship program for students from TANF-eligible families under the Governor's Work-Based Learning Board. Transfer federal TANF funding of \$2,750,800 PR in 1999-00 and \$5,453,300 PR in 2000-01, and provide 1.0 PR position in each year to the Board. Provide \$48,300 and 1.0 position of total funding annually for administration.

2. Modify the Governor's recommendation to delete \$12,100 PR in 1999-00 to provide

nine months' funding for the administrative position.

<u>Alternative 2</u>	<u>PR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	- \$12,100	- \$12,100	- \$24,200

3. Delete the Governor's recommendation and require the program to be administered through PICs.

4. Maintain current law.

<u>Alternative 4</u>	<u>PR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	- \$8,204,100	- \$8,204,100	- \$16,408,200
2000-01 POSITIONS (Change to Bill)	- 1.00	0.00	- 1.00

Prepared by: Ron Shanovich

MO# Alt 3

BURKE	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
DECKER	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
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AYE 8 NO 8 ABS 0

MO# Alt 2

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GARD	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
PORTER	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
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HUBER	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
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AYE 15 NO 1 ABS 0

WORKFORCE DEVELOPMENT--
EMPLOYMENT, TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Governor's Work-Based Learning Board--Self-Paced Youth Apprenticeship Program

Motion:

Move to require that the Self-Paced Youth Apprenticeship program include a component that ensures that participants could earn a youth apprenticeship skills certificate through the self-paced program if they meet youth apprenticeship certification requirements.

Note:

AB 133 would create a self-paced youth apprenticeship program under the Governor's Work-based Learning Board for students from families who are eligible for assistance under the federal temporary assistance to needy families (TANF) program. Youths who are between 14 and 18 years old and from TANF-eligible families would be eligible to participate in the program. Students would be allowed to take more than one year to complete the first year of the youth apprenticeship competencies in industry areas which offer a high potential for employment after graduation from high school or from post-secondary institutions. Upon completion of the first year requirements, they would receive a state-issued skills certificate documenting the competencies obtained. This motion would require the self-paced program to include a component that would allow participants to obtain a youth apprenticeship certificate.

MO# _____

2 BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
1 MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 16 NO 0 ABS 0

(Gov) **Agency:** DWD -- Employment, Training and Vocational Rehab
Youth Apprenticeship Curriculum Development

Recommendations:

Paper #1058: Alternative 3 (maintain current law)

Card 1

Comments: The gov would have transferred responsibility for (cost of) apprenticeship curriculum development from DWD to WTCS. No benefits seen in this change.

Decker motion

Prepared by: Bob



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 #1058

Youth Apprenticeship Curriculum Development (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 1999-01 Budget Summary: Page 655, #7 and Page 664, #1]

CURRENT LAW

The Department of Workforce Development (DWD) is required to approve occupations for the youth apprenticeship program and to develop youth apprenticeship curricula for the approved occupational areas. DWD is required to fund the cost of the curriculum development from its GPR appropriation for the Division of Connecting Education and Work.

GOVERNOR

Require the Wisconsin Technical College System (WTCS) Board to expend up to \$125,000 annually from the Board's appropriation for federal aid for state operations to develop curricula for youth apprenticeship programs for occupations that have been approved by the proposed Governor's Work-Based Learning Board, which would be created in the bill. Require the WTCS Board to consult with the Governor's Work-Based Learning Board in developing the curricula. According to Executive Budget documents, the WTCS Board would use funds provided under the federal Carl D. Perkins Vocational and Technical Education Act for the development of the curricula.

DISCUSSION POINTS

1. Under current law, DWD is required to develop curricula for approved youth apprenticeship occupational areas. According to DWD staff, the Division of Connecting Education and Work contracts with WTCS districts to provide almost all of the curricula for new youth apprenticeship programs and to update and revise curricula for existing programs. Costs range from \$35,000 to \$50,000 to develop a new curriculum and from \$10,000 to \$25,000 for updates and

revisions, which are done every three years.

2. The statutes require DWD to fund youth apprenticeship curriculum development from the agency's GPR appropriation for the Division of Connecting Education and Work. However, DWD staff have indicated that, for the past two years, curriculum development has been funded entirely with federal School-to-Work Opportunities Act (STWOA) monies, which will no longer be available after September 30, 1999.

3. Under the bill, responsibility for the development of the youth apprenticeship curricula would be transferred from DWD to the State WTCS Board. The WTCS Board would be required to expend not more than \$125,000 annually from its appropriation for federal aid for state operations. According to DOA staff, the WTCS Board would use federal Carl D. Perkins Vocational and Applied Technology Education Act funds to support the costs of the curriculum development. However, in a letter to the Co-Chairs of the Joint Committee on Finance, the Secretary of DOA indicated that the intent was that the funds to be used for this purpose would come from the Board's federal aid for local assistance appropriation, rather than its appropriation for federal aid for state operations. A technical change to the bill would be necessary to accomplish the Governor's intent.

4. The Carl Perkins Act provides support to secondary, postsecondary and adult vocational programs for the purpose of improving vocational education. Wisconsin's Carl Perkins monies are administered jointly by the WTCS Board and DPI. It is estimated that Wisconsin will receive approximately \$22.4 million of Carl Perkins Act funding in 1999-00. Of the total, approximately \$2.1 million is allocated specifically for technical preparation programs. Of the remaining \$20.2 million, approximately \$17.2 million is provided in the form of a basic state grant which is distributed to local school districts and WTCS districts. States may use 10%, or an estimated \$2.0 million, for state leadership activities and up to 5% (\$1.0 million) for administration.

5. Since the WTCS Board is the fiscal agent for the Carl Perkins Act funds, all of the monies are provided within the WTCS budget. However, approximately 44% of the Carl Perkins funds, or an estimated \$9 million in 1999-00, is immediately transferred to DPI for elementary and secondary school programs. Of DPI's share of Wisconsin's estimated allocation for 1999-00, approximately \$7.7 million would be distributed to school districts under the basic state grant, \$771,800 would be available for state leadership programs and \$455,500 could be used for administration.

6. The bill would not specify whether the funding for curriculum development would come from the DPI or WTCS share of the Carl Perkins funds. However, WTCS Board staff indicate that DPI's share of the total amount of funding would be reduced by the amount to be expended on the curriculum development because the youth apprenticeship program serves secondary, rather than postsecondary students.

7. Since the basic state grant funds are distributed by formula to local school districts, it is likely that the state leadership funds would be used to support the curriculum development efforts.

DPI staff indicate that most of the state leadership funds are used to support statutorily required vocational education positions at the agency and the remainder of the funds, approximately \$230,000, is expended for statewide activities. These activities include: K-12 vocational education curriculum development; support for student vocational organizations such as DECA and Future Farmers of America; and workshops in career development. Thus, the Governor's proposal would result in significant funding reductions for these activities.

8. While the bill would require the WTCS Board to expend "up to \$125,000 annually" for the curriculum development, DOA staff have indicated that the Governor's intent was to require the WTCS Board to expend "at least" \$125,000 annually. Since these funds would be provided to WTCS districts from DPI's allocation of the Carl Perkins funds, the WTCS Board may have an incentive to expend more than \$125,000 per year for this purpose and could do so without DPI's consent. Therefore, it may be appropriate to modify the proposed language to specify a range of expenditure amounts. For example, the Board could be required to expend at least \$120,000, but not more than \$130,000, annually in Carl Perkins funds for the curriculum development. If the Board determined that \$130,000 was insufficient, it could provide additional funds from other sources.

9. As previously noted, current law requires DWD to fund youth apprenticeship curriculum development using GPR monies allocated for the Division of Connecting Education and Work. Since the agency has chosen to replace the GPR funding with federal funds that were known at the time to be temporary, one could argue that the Department should be required to revert to using GPR to pay for the curriculum development.

ALTERNATIVES

1. Approve the Governor's recommendation to require the WTCS Board to expend up to \$125,000 annually to develop curricula for youth apprenticeship programs including a technical correction to specify that funding for the curriculum development would be expended from the WTCS Board's appropriation for federal aid for local assistance, rather than state operations.

2. Modify the Governor's recommendation by requiring the WTCS Board to expend one of the following amounts for youth apprenticeship curriculum development:

- a. Not less than \$125,000 annually.
- b. Not less than \$120,000 but not more than \$130,000 annually.

3. Maintain current law so that either DWD or the proposed Governor's Work-Based Learning Board would be responsible for the development of youth apprenticeship curricula using funding provided in the Department's or Board's general program operations appropriation, consistent with other decisions of the Finance Committee relating to the creation of the Board.

Prepared by: Merry Larsen

MO# AK-3

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 16 NO 0 ABS

(Gov) Agency: DWD -- Employment, Training and Vocational Rehab
Technical College Study Grants

Recommendations:

Paper #1059: Alternative 6 (maintain current law) ✓

Comments: The governor proposes a new grant program that is ill-defined and probably ill-directed (by using academic achievement instead of need as its major criteria).

The Legislature could try to redirect or define this program, but better not to create something new when existing programs could use the money more effectively.

If not successful in killing this (and saving \$3.3 million GPR in the process), try to insert financial need (A3) as part of the criteria.

Prepared by: Bob



Legislative Fiscal Bureau

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June 1, 1999

Joint Committee on Finance

Paper #1059

Technical College Study Grants (DWD -- Employment, Training and Vocational Rehabilitation Programs)

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

CURRENT LAW

Wisconsin Technical College System (WTCS) students are currently eligible for a variety of federal and state financial aid programs. The largest of the state programs is the Wisconsin Higher Education Grant (WHEG) program which provides need-based grants to resident students who are enrolled at least half-time. Under the program, which is administered by the Higher Educational Aids Board (HEAB), eligible students may receive grants of \$250 to \$1,800 per year. In 1997-98, WHEG awards were provided to 15,186 WTCS students, or 19.5% of resident undergraduates enrolled at least half-time. In 1998-99, a total of \$11.7 million is appropriated for the grants.

The Academic Excellence Scholarship (AES) program is the only GPR-funded, statewide financial aid program that is not need-based. The program, which is administered by HEAB, provides scholarships to selected 12th grade students who have the highest grade point average in each public and private high school in the state. AES recipients may use the scholarship at any UW or WTCS institution or at a participating private college located in the state. Freshman scholars who enrolled in 1996-97 and thereafter receive a maximum of \$2,250 per year, while students who enrolled as freshmen prior to 1996-97 receive an amount equal to total tuition and fees up to the amount charged at UW-Madison (\$3,405 in 1998-99). Of the 2,496 AES recipients enrolled in eligible institutions in 1997-98, 14 attended technical colleges.

GOVERNOR

Provide \$1,100,000 GPR in 1999-00 and \$2,200,000 GPR in 2000-01 in a new, annual appropriation under DWD, for study grants to high school graduates who meet or exceed a certain grade point average and who enroll full-time in a WTCS institution within one year after graduation from high school. Specify that the program would be administered by the Governor's

Work-Based Learning Board, which would be created under the bill. Require the Board to establish requirements, including a minimum grade point average, that a student would have to meet to be eligible to receive a study grant. The requirements would not have to be promulgated as rules.

DISCUSSION POINTS

Background

1. There are approximately 439,100 students enrolled in the 16 WTCS districts. Due to the large number of part-time students, however, the number of full-time equivalent students is approximately 56,500. WTCS programs fall into one of two broad categories: (1) continuing education which is comprised of part-time programs in vocational-adult, basic skills education and district/community services, which include hobby courses and activities offered with community groups; and (2) postsecondary programs, which consist of associate degree programs, college parallel programs and vocational diploma programs. Associate degree programs generally require two-years of full-time attendance to complete while technical diploma programs may be completed in one or two years. College parallel programs are two-year programs in which the liberal arts credits earned by students may be transferred to a four-year university and applied towards a baccalaureate degree. The State WTCS Board has approved such programs at only three districts (Madison, Milwaukee and Nicolet). Of the approximately 152,400 students enrolled in postsecondary programs, over 66% are enrolled in associate degree programs while approximately 23% are enrolled in technical diploma programs and 11% are college parallel students.

2. Because of the System's focus on occupational education, WTCS institutions enroll students in a wide range of age groups. The largest percentage of students enrolled in postsecondary programs is between the ages of 19 and 24 (approximately 29% of all students). However, 25 to 34 year-olds comprise about 26% of all postsecondary students and an additional 21% are between the ages of 35 and 44. One of the goals of the System is to increase the percentage of students who enroll in a technical college immediately following high school graduation from the current 18% to 25%.

Structure of Proposed Program

3. Under the bill, very little detail regarding the proposed technical college study grants program would be provided in the statutes. Essentially the statutes would specify that the grants would be: (1) administered by the Governor's Work-Based Learning Board, which would be created under the bill; and (2) awarded to high school graduates who meet or exceed an unspecified grade point average (GPA) and enroll full-time at a WTCS institution within one year after high school graduation. The Board would have to set the minimum GPA and establish other eligibility requirements that a student would have to meet in order to receive a grant. Although the Board would be required to promulgate rules for the administration of the study grants program and other programs proposed in the bill, the eligibility requirements would not have to be promulgated as

rules.

4. The purpose of the proposed program is unclear. Executive budget documents indicate that "the program's intent is to provide an incentive for high quality students to enter high skill, technical professions," which would suggest that the program would be a scholarship program. However, in his biennial budget message, the Governor stated that the purpose of the grants would be "to make a technical education more accessible to our youth," and DOA staff have also indicated that the purpose is to provide aid to WTCS students. Both of these statements would seem to suggest that the program is intended to be a financial aid program.

5. Under the bill, the Work-Based Learning Board would have almost complete discretion to determine the structure and requirements of the program. Further, since the student eligibility requirements would not have to be promulgated as rules, the Legislature would have no opportunity to review these requirements prior to their implementation. Given that considerable state resources would be involved, the Legislature may wish to provide more guidance in defining the structure of the program. In developing the structure of the program, a number of questions should be considered.

6. **What is the goal of the program?** Is the purpose to: (a) provide financial aid to students to improve access to technical education; (b) increase the number of students enrolling in technical colleges immediately after graduating from high school; or (c) improve the academic quality of WTCS students? While these goals are not necessarily mutually exclusive, each may suggest a slightly different programmatic approach.

If the goal of the program is to increase financial aid for WTCS students, which could in turn result in an increase in the total number of students attending technical colleges, one could argue that a more efficient use of the funds would be to increase the WHEG program for WTCS students. The amount provided in the bill for the proposed grant program, if reallocated to the WHEG program, would represent annual increases of 9.4% in 1999-00 and 8.6% in 2000-01 above base level funding of \$11,749,600 for the WHEG awards in 1998-99. In previous action on the budget bill, the Committee adopted a motion to increase funding for the WHEG program by 4.92% in 1999-00 and 4.97% in 2000-01.

A student may choose to enroll or not to enroll at a technical college for a variety of reasons, not all of which are financial. For example, high school students may not be as aware of the educational opportunities available at technical colleges as at four-year institutions. In that case, a financial incentive may not influence some students' decisions.

If the goal of the program is to improve the academic quality of WTCS students, a merit-based program, which does not consider financial need, may accomplish this goal. However, it may be difficult to set an appropriate minimum grade point average since WTCS districts do not typically collect this information from entering students. One district, Southwest Technical College, which did collect self-reported GPA information found that 40% to 50% of all students enrolling in postsecondary programs had GPAs of 3.0 or higher. While the bill specifies that the Work-Based

Learning Board would set the minimum GPA, in his biennial budget message, the Governor stated that students "with a B average would be eligible." Based on the information from Southwest, it appears that a significant number of these students are already enrolling in technical colleges. If this is the case, the proposed funding may only result in a greater amount of financial aid being provided to students who would have enrolled anyway.

Another option would be to award the grants on the basis of a combination of GPA and need. All students whose GPA meets or exceeds the established minimum would receive a grant, provided they meet any other eligibility criteria that is established. However, the amount of the grant would be based on the student's financial need with needier students receiving a larger grant.

7. What type of student is intended to be reached by the program? For example, would the program be intended for those students who: (a) may not otherwise pursue postsecondary education; or (b) would otherwise have chosen a four-year institution?

High school graduates who choose to enter the workforce immediately after graduation may do so for a number of reasons, although some of the primary reasons could be related to the direct costs of higher education as well as foregone earnings. Since it is somewhat less likely that these students would have high GPAs, grants awarded on this basis may not reach these students.

As previously noted, students may choose a four-year institution or a two-year UW College over a technical college for a number of reasons other than cost. Thus, it would be difficult to determine whether a financial aid or scholarship program would influence these students' postsecondary decisions.

8. What would be the appropriate award amount to achieve the goal of the program as a financial aid or scholarship program?

While the amount of each grant is not specified in the bill, in his biennial budget message, the Governor stated that the grants would be \$500 each, which, based on the amount provided in the bill, would allow the Board to award 2,200 grants in 1999-00 and 4,400 grants in 2000-01. It is not known whether a student would be eligible to receive a grant for more than one year.

For 1999-00, annual tuition for a WTCS student enrolled for 24 credits, which is the number of credits required for full-time status for financial aid purposes, will be \$1,422 for students enrolled in associate degree and technical diploma programs and \$1,951.20 for college parallel students. In addition to tuition, all students pay material fees which average approximately \$100 per year for associate degree and technical diploma programs and \$30 for college parallel students, but can be as high \$750 per year depending on the program. Thus, a \$500 grant may cover between one-quarter and one-third of a student's tuition and fees. However, it is important to remember that costs other than tuition and fees, such as room and board, transportation, books and miscellaneous expenses can be significant. In 1997-98, the average total educational cost for a WTCS student was \$8,004. Therefore, a \$500 grant would have covered approximately 6.3% of a student's total cost in that year.

A \$500 award may not be sufficient to influence the decisions of students who would otherwise choose to attend a UW or private institution. Students choosing between a technical college and a career may also require a greater financial incentive. However, unless additional funding would be provided, increasing the amount of each grant would result in fewer students receiving grants.

9. Should the grants be limited to students who enroll in certain WTCS programs?

If the goal of the program is to increase the number of students enrolling in "high skill" programs, it may be appropriate to limit the grants to only those students who enroll in associate degree and technical diploma programs, and exclude college parallel students. The following table shows the estimated number of students who enrolled in technical college programs on both a full-time and part-time basis, within one year of high school graduation.

<u>Year Graduated</u> <u>From High School</u>	<u>Associate</u> <u>Degree</u>	<u>Technical</u> <u>Diploma</u>	<u>College</u> <u>Parallel</u>	<u>Total</u>
Full-Time Students				
1994-95	2,366	740	110	3,216
1995-96	2,578	808	129	3,515
1996-97	2,761	826	106	3,693
1997-98	2,782	807	186	3,775
Part-Time Students				
1994-95	2,604	700	225	3,529
1995-96	2,919	799	226	3,944
1996-97	2,890	720	198	3,808
1997-98	2,938	727	258	3,923

As shown in the table, the number of students enrolling in technical colleges within one year of high school graduation has increased steadily over the last four years. However, caution should be used in evaluating this data since many students take courses in more than one program area. For example, a student working toward an associate degree may choose to take a college parallel English course. To avoid double counting, this student would appear only in the associate degree category. In this table, a student taking any associate degree courses would be placed in the associate degree category, even if he or she is actually planning to earn a technical diploma or is a college parallel student. If students enrolled in certain programs would be excluded from eligibility, a method would have to be devised to determine what constitutes enrollment in a particular program.

For the purposes of this table, a student was considered to be full-time if he or she enrolled

for at least 24 credits in one year. Some students who would otherwise have taken less than 24 credits per year may decide to enroll full-time if doing so would make them eligible for a grant.

Administration

10. Under the bill, the program would be administered by the Work-Based Learning Board. However, depending on the answers to the above questions, it may be more appropriate for HEAB or the WTCS Board to implement the program. For example, if the purpose of the grants is to provide financial aid to increase access to the Technical College System, it would be more logical for HEAB to administer the program as the primary agency responsible for the management and oversight of the state's financial aid system. If the grants would be awarded on the basis of need, HEAB would already have access to the information necessary to make that determination and has experience working with financial aid officers at the individual WTCS districts. HEAB may also be the appropriate agency to manage the funds if the program is to be a scholarship program since the Board already administers the AES program. However, if a student's grade point average would be considered in awarding the grants, one could argue that it would be more efficient for the WTCS Board to collect this information from the districts. Further, if the grants would be targeted to students enrolling in particular WTCS programs, as suggested by the statement in the executive budget documents regarding students entering high skill technical professions, the WTCS Board would be in a better position to develop eligibility criteria and to determine which students would be eligible.

11. The Work-Based Learning Board would be staffed by GPR positions that would be transferred from DWD's Division of Connecting Education and Work, which would be eliminated under the bill, as well as additional positions funded through federal Carl Perkins monies that would be transferred from the Department of Public Instruction and federal Temporary Assistance to Needy Families funds. If administration of the program would be transferred to either HEAB or the WTCS Board, an additional 0.5 FTE position would be necessary at a cost of \$21,200 in 1999-00 and \$20,600 in 2000-01. One could argue that GPR funding and position authority could be transferred from the proposed Work-Based Learning Board to administer the program.

Program Funding

12. According to DOA, the \$1.1 million GPR in 1999-00 and \$2.2 million GPR in 2000-01 that would be provided for the grants under the bill is based on an approximate 1% increase in the appropriation for state general aids to WTCS districts, rather than any assumption of the number of grants to be awarded or the amount of each grant. DOA staff indicate that it was determined that providing the funds in the form of financial aid to students would have a greater impact on WTCS enrollments. The Finance Committee, in considering the WTCS budget, provided \$1.1 million GPR in 1999-00 and \$2.2 million GPR in 2000-01 for state general aids to WTCS districts.

13. In order for the grants to influence students' postsecondary education decisions, students would need to be made aware of the program prior to high school graduation. Given the timing of the probable passage of the budget bill and since rules would have to be promulgated for

the administration of the program, it is unlikely that any grants could be awarded before the spring of 2000 for enrollment beginning in the fall semester of the 2000-01 academic year. Therefore, one could argue that the \$1.1 million that would be provided for the grants in 1999-00 could be eliminated.

14. A concern could be raised regarding the potential future costs of the proposed grants. If the program is implemented as a scholarship program, similar to the AES awards, the study grants may be viewed as an entitlement. In the mid-1990s, the increasing costs of the AES program led to three years of funding shortfalls. Although the law specified that scholarships were to be prorated in the event of such a shortfall, in each of the years HEAB requested and received supplemental funds from the Joint Committee on Finance. To control the cost of the program, the Legislature capped the scholarship amount in 1996-97. The bill would not include proration language for the WTCS study grants should the amount provided be insufficient to fund the awards. However, since the funding would be provided in an annual, sum certain appropriation, one could assume that in case of a shortfall, grants would either be prorated or the Work-Based Learning Board would seek a supplement from the Committee.

ALTERNATIVES

A. Program Structure

1. *Governor's recommendation.* Approve the Governor's recommendation for the establishment of a program to award study grants to high school graduates who meet or exceed a certain grade point average and who enroll full-time in a WTCS institution within one year after graduating from high school.
2. *No minimum GPA requirement and financial need.* Modify the Governor's recommendation by eliminating reference to a minimum GPR and instead, specify that the grants would be awarded on the basis of need.
3. *Financial need.* Modify the Governor's recommendation by specifying that the amount of an individual student's grant would be determined on the basis of financial need.
4. *Eligible programs.* Modify the Governor's recommendation by specifying that only those students who enroll in associate degree or technical diploma programs, as determined by the administering agency, would be eligible to receive the grants.
5. *Administrative rules.* Modify the Governor's recommendation by requiring that the administering agency promulgate rules describing the requirements that a student would have to meet in order to be eligible for a grant.
6. Maintain current law.

B. Administration

1. *Governor's recommendation.* Approve the Governor's recommendation to require the Governor's Work-Based Learning Board to administer the proposed program.

2. *Require HEAB to administer the program.* Modify the Governor's recommendation by requiring HEAB to administer the proposed program. Transfer the funding for the grants program to a new, biennial appropriation within HEAB. In addition, transfer \$21,200 GPR in 1999-00 and \$20,600 GPR in 2000-01 and 0.5 GPR position beginning in 1999-00 from the Work-Based Learning Board to HEAB to administer the program.

3. *Require the WTCS Board to administer the program.* Modify the Governor's recommendation by requiring the State WTCS Board to administer the proposed program. Transfer the funding for the grants program to a new, biennial appropriation within WTCS. In addition, transfer \$21,200 GPR in 1999-00 and \$20,600 GPR in 2000-01 and 0.5 GPR position beginning in 1999-00 from the Work-Based Learning Board to WTCS to administer the program.

4. Maintain current law.

C. Funding

1. *Governor's recommendation.* Approve the Governor's recommendation to provide \$1,100,000 GPR in 1999-00 and \$2,200,000 GPR in 2000-01 in a new, annual appropriation under DWD, for the proposed program.

2. *Delete first-year funding.* Modify the Governor's recommendation by deleting \$1,100,000 GPR in 1999-00 to reflect a delay in the start of the program until 2000-01.

Alternative C2	GPR
1999-01 FUNDING (Change to Bill)	-\$1,100,000

MO# A6, B4, C3

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
JAUCH	<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
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
2 GARD	<input checked="" type="radio"/>	N	A
PORTER	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	<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"/>	<input checked="" type="radio"/> N	A
HUBER	<input checked="" type="radio"/>	N	A
RILEY	<input checked="" type="radio"/>	N	A

Maintain current law.

Alternative C3	GPR
1999-01 FUNDING (Change to Bill)	-\$3,300,000

erry Larsen

AYE 14 NO 2 ABS _____

WORKFORCE DEVELOPMENT --
EMPLOYMENT, TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Technical College Study Grants and Wisconsin Higher Education Grants
[Paper #1059]

Motion:

Move to delete the Governor's recommendation to establish a program to award study grants to high school graduates who meet certain requirements and who enroll full-time in a WTCS institution within one year after graduation. In addition, provide \$186,300 GPR in 1999-00 and \$383,800 GPR in 2000-01 to increase funding for the Wisconsin higher education grant (WHEG) program for UW System students and \$127,000 GPR in 1999-00 and \$261,600 GPR in 2000-01 to increase funding for WHEG grants to WTCS students.

Note:

This motion would delete the Governor's recommendation to establish a study grants program for WTCS students. In addition, this motion would increase funding for WHEG grants to UW System and WTCS students by a total of \$313,300 GPR in 1999-00 and \$645,400 GPR in 2000-01. In addition to the funding increases provided under a motion previously adopted by the Committee, the additional monies would result in total increases for each of these programs of 6% annually.

While the bill would provide annual funding increases equal to 6% for each of the WHEG programs, a motion previously adopted by the Committee reduced the amount provided to result in increases of 4.92% in 1999-00 and 4.97% in 2000-01. This motion would restore the funding increases for these programs to the amounts provided in the bill.

[Change to Bill: -\$2,341,300 GPR]

MO#

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 8 NO 8 ABS _____

(Gov) Agency: DWD -- Employment, Training and Vocational Rehab
Support to Career Counseling Centers

Recommendations:

Paper #1060: Alternative 4 ✓

Comments: The governor would transfer administration of career counseling centers to his new board, and create a \$300,000 PR appropriation using money from the Unemployment Insurance interest and penalty fund.

Points 15 through 17 clearly establish why this is a needless duplication. Alternative 4 instead directs DWD to consolidate career counseling and job center functions.

Additionally, Point 14 says career counseling grants from the state were initially viewed as seed money. These centers were supposed to be locally funded after three years.

Prepared by: Bob



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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

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.

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

5. Maintain current law.

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

Prepared by: Ron Shanovich

MO# 117 4

	BURKE	<input checked="" type="radio"/>	N	A
1	DECKER	<input checked="" type="radio"/>	N	A
	JAUCH	<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
	COWLES	<input checked="" type="radio"/>	N	A
	PANZER	<input checked="" type="radio"/>	<input checked="" type="radio"/>	A
2	GARD	<input checked="" type="radio"/>	N	A
	PORTER	<input checked="" type="radio"/>	N	A
	KAUFERT	<input checked="" type="radio"/>	N	A
	ALBERS	<input checked="" type="radio"/>	<input checked="" type="radio"/>	A
	DUFF	<input checked="" type="radio"/>	N	A
	WARD	<input checked="" type="radio"/>	N	A
	HUBER	<input checked="" type="radio"/>	N	A
	RILEY	<input checked="" type="radio"/>	N	A

AYE 14 NO 2 ABS _____

WORKFORCE DEVELOPMENT -- EMPLOYMENT,
TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Governor's Work-Based Learning Board--Career Counseling Centers
[Paper #1060]

Motion:

Move to provide annual funding of \$90,000 GPR to make annual grants of \$30,000 each to the career counseling centers in Wausau, Watertown and Racine.

Note:

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. This motion would provide annual funding of \$90,000 GPR to make annual grants of \$30,000 each to the career counseling centers in Wausau, Watertown and Racine.

[Change to Bill: \$180,000 GPR]

MO# _____

	BURKE	(Y)	N	A
1	DECKER	(Y)	N	A
	JAUCH	(Y)	N	A
	MOORE	(Y)	N	A
	SHIBILSKI	(Y)	N	A
2	PLACHE	(Y)	N	A
	COWLES	Y	(N)	A
	PANZER	Y	(N)	A
	GARD	Y	(N)	A
	PORTER	Y	(N)	A
	KAUFERT	Y	(N)	A
	ALBERS	Y	(N)	A
	DUFF	Y	(N)	A
	WARD	Y	(N)	A
	HUBER	(Y)	N	A
	RILEY	Y	N	A

AYE 8 NO 8 ABS _____

(Gov) Agency: DWD -- Employment, Training and Vocational Rehab
Southeast Wisconsin Youth Employment Program

Recommendations:

Paper #1061: Alternative 4 (maintain current law)

Card 2

Comments: Not a terrible idea, but it just hasn't been thought out. There is no curriculum, no certification, money allocated for a position but no position.

Point 4 suggests, if this is done, it could be better done by a local job center partnership than some board in Madison.

Prepared by: Bob



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June 1, 1999

Joint Committee on Finance

Paper #1061

TANF

Governor's Work-Based Learning Board--Southeast Wisconsin Youth Employment Program (DWD -- Employment, Training and Vocational Rehabilitation Programs)

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

CURRENT LAW

Wisconsin's school-to-work initiative is comprised of six major components: (1) local partnerships; (2) youth apprenticeships; (3) career counseling centers; (4) technical preparation (tech-prep); (5) youth options; and (6) at-risk youth programs. These programs are administered primarily by the Department of Public Instruction (DPI), the Department of Workforce Development (DWD) and the Wisconsin Technical College System (WTCS). Federal, state and local funds support the various components. DPI's programs focus on career exploration and planning as well as work- and school-based learning. DWD coordinates development of youth apprenticeship programs and career counseling centers. WTCS and DPI coordinate technical preparation programs.

GOVERNOR

Transfer federal temporary assistance to needy families (TANF) funding of \$323,300 PR in 2000-01 to the Governor's Work-Based Learning Board to fund a pilot youth employment program in southeast Wisconsin to develop programs for federal TANF-eligible high school youth that provide career exploration, academic training and technical training along with paid work experience. ["TANF-eligible" is not a defined term in the statutes. Under current state law, TANF assistance through the child care program is available to families with income up to 200% of the federal poverty level.]

DISCUSSION POINTS

1. The southeast Wisconsin youth employment program is intended to assist TANF-eligible youth in successfully transitioning from school to jobs that are in high demand and well-paying in the southeast part of the state. The program would include occupational exploration, interest and skills evaluation, exposure to jobs in demand and preliminary skill training through a work-based learning component. The program would teach employability skills and work habits to low-income youth. However, the program would not be a structured apprenticeship program. There would not be a statewide curriculum or certification. The Legislative Audit Bureau indicates that this program would be an allowable use of TANF funding.

2. A competitive request for proposals would be issued to private industry councils (PICs) in southeastern Wisconsin to develop a program for eligible high school juniors and seniors in cooperation with secondary schools, technology academies, technical colleges and businesses. The program would be required to link career exploration, academic instruction and technical training with 180 hours of paid work experience. Employers would be involved in planning, delivery and funding of the work-based component of the program. Local partners would include job centers, career centers, local chambers of commerce and labor organizations. Programs would be expected to leverage local resources to maximize the impact of state funding provided.

3. The program would address a shortage of skilled workers in southeast Wisconsin. According to DWD, this shortage is causing employers to recruit skilled workers from other states or to relocate. The program would enable employers in southeastern Wisconsin to assist in preparing high school students for high skilled jobs in their business. In addition, the program would give TANF-eligible youth opportunities to explore future career options and learn occupational skills to lead to long-term employment.

4. Job centers provide one-stop access to employment and training programs and a hub of training and employment activities in workforce development areas. Job center partners include PICs, W-2 agencies as well as local educational institutions, trade unions, municipal and county governments, trade associations and local businesses. Since the Board would operate the southeast Wisconsin youth training program through these organizations, it could be argued that it should be directly administered by local job center partners rather than the Work-Based Learning Board.

5. The bill allocates \$48,300 PR of the amount provided for 2000-01 for salaries, fringe benefits and supplies and services but no position would be authorized. The Committee may wish to reallocate the funding to allow the monies to be used for program activities.

ALTERNATIVES

1. Approve the transfer of \$323,300 PR in 2000-01 in TANF funds to the Governor's Work-Based Learning Board to fund a pilot youth employment program in southeast Wisconsin to develop programs for TANF-eligible high school youth that provide career exploration, academic training and technical training along with paid work experience.

2. Approve the Governor's recommendation and reallocate \$48,300 PR from salaries, fringe benefits and supplies and services funding to provide funding for program activities.
3. Approve the Governor's recommendation but assign administrative responsibilities to PICs.
4. Maintain current law.

<u>Alternative 4</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	- \$323,300	- \$323,300	- \$646,600

Prepared by: Ron Shanovich

MO# Alt 2

2 BURKE	<input checked="" type="radio"/>	N	A
1 DECKER	<input checked="" type="radio"/>	N	A
JAUCH	<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
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
PORTER	<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
HUBER	<input checked="" type="radio"/>	N	A
RILEY	<input checked="" type="radio"/>	N	A

AYE 16 NO 0 ABS 0

(Gov) Agency: DWD -- Employment Training and Vocational Rehab
Transfer of Federal Tech-Prep School-to-Work Funding

Recommendations:

Paper #1062: Alternative 3 (maintain current law) *2*

Comments: The governor's proposal needlessly shuffles responsibility and positions to a new board, but requires the gutted agencies (DPI and WTCS) to continue to help with the program. The two agencies already are cooperating to run the show, why insert a third layer?

Albers motion

Prepared by: Bob



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June 1, 1999 Joint Committee on Finance Paper #1062

Transfer of Federal Tech-Prep School-to-Work Funding (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 1999-01 Budget Summary: Page 509, #12 and Page 664, #1]

CURRENT LAW

The Department of Public Instruction (DPI), is responsible for assisting school boards in complying with state requirements that each school board provide access to an education for employment program approved by DPI. Each education for employment program must incorporate applied curricula, guidance and counseling services, technical preparation, college preparation, youth apprenticeship and other job training and work experience and instruction in skills relating to employment.

The Department and the Wisconsin Technical College System (WTCS) Board divide federal funds allocated to Wisconsin under the Carl D. Perkins Vocational and Technical Education Act of 1998, Title II, for technical preparation (tech-prep) education. In 1998-99, total funding was \$2,106,800 for tech-prep. Of the total, \$2,001,500 (95%) is used for local and statewide projects jointly awarded by DPI and the WTCS Board. The remaining \$105,300 was used for administration with half of the funds provided to DPI to support 0.75 position and half of the funds allocated to the WTCS Board to support 1.0 position. The WTCS Board acts as the fiscal agent for the federal grant and transfers funds to DPI, which are deposited in two separate DPI appropriations. The first appropriation is for program operations supported by funds transferred by other state agencies, and the second is for funds transferred from other state agencies to carry out the purposes for which the funds are received. The Department of Workforce Development (DWD) does not receive tech-prep funding under the Carl Perkins Act.

GOVERNOR

Reduce funding by \$1,990,000 PR annually in DPI to reflect the Governor's recommendation that federal monies provided for the tech-prep program would be reallocated to the Governor's Work-Based Learning Board rather than to DPI. Of this amount, DPI's funding for local aids would be reduced by \$1,900,000 PR annually and funding for administrative functions would be reduced by \$90,000 PR annually. Provide that DPI would assist the newly-proposed Board in providing the school-to-work program, youth apprenticeship program, the technical college student grant program and the work-based learning program.

Provide expenditure authority under the Board for funds transferred from the WTCS Board of \$2,150,000 PR annually and 3.0 PR positions starting in 1999-00. Of the total, \$144,900 PR annually would be provided for salaries, fringe benefits and related supplies and services funding for the 3.0 positions which would administer the funding.

DISCUSSION POINTS

A. Tech-Prep Program Administration

1. Federal funding specifically for tech-prep programs was first provided in 1991-92 as a result of the 1990 reauthorization of the Carl Perkins Act (Title III E). Tech-prep programs are designed to increase high school students' awareness of alternatives to four-year degree programs, better prepare students for technical college and the workforce and improve curriculum and instruction for all students. In 1991 Act 39, school boards, in cooperation with WTCS district boards, were required to establish tech-prep programs in each public high school in the school district. Under current state law, tech-prep programs must consist of a sequence of courses designed to allow high school pupils to gain advanced standing in the WTCS district's associate degree program upon graduation from high school.
2. Under the 1998 reauthorization of the Carl Perkins Act, a tech-prep program is defined as a program that: (a) combines a minimum of two years of secondary education with a minimum of two years of postsecondary education in a nonduplicative, sequential course of study; (b) integrates academic, vocational and technical instruction and utilizes work-based and worksite learning where appropriate and available; (c) provides technical preparation in a career field such as engineering technology, applied science, a mechanical, industrial or practical art or trade, agriculture, health occupations, business, or applied economics; (d) builds student competence in certain subjects including mathematics, science, reading, writing, communications and economics; (e) leads to an associate or baccalaureate degree or a postsecondary certification in a specific career field; and (f) leads to placement in appropriate employment or to further education.
3. Tech-prep programs are developed and implemented primarily at the local level by tech-prep consortia, which consist of a WTCS district and all K-12 districts within the WTCS district's boundaries. As a result, the degree of implementation varies across the state. At the consortium level, each WTCS district director is required to appoint a 12-member tech-prep council

to coordinate the establishment of tech-prep programs. In addition, the school-to-work leadership group, which consists of representatives from the 16 tech-prep consortia and the 31 local school-to-work partnerships, provides leadership and facilitates coordination among the local groups. The tech-prep state management team, which consists of representatives of DPI and the WTCS Board, is responsible for local and statewide development and implementation activities.

4. In order to receive federal funds, each consortium's tech-prep program is required to include the following components: (a) articulation agreement that aligns the curriculum in grades 9 to 14 in order to provide students with a smooth transition from secondary school to technical college; (b) curriculum that consists of at least two years of secondary education and two or more years of higher education or an apprenticeship program designed to lead to an associate degree or certificate in a specific career field; (c) development of tech-prep programs for secondary and postsecondary participants that meets state academic standards, links secondary and postsecondary schools, uses, if appropriate, work-based learning and uses educational technology and distance learning as appropriate; (d) in-service teacher training; (e) counselor training designed to help more effectively recruit students for tech-prep programs, ensure that students complete the programs and are placed in appropriate employment; (f) services to assist students prepare for an appropriate vocational program; and (g) equal access for special populations.

5. Under the Governor's bill, there are no state statutory provisions that would direct the Board to use federal tech-prep funds for a specific purpose. Rather, under the Governor's recommendations, the Board would be required to provide a youth apprenticeship program, a school-to-work program that would include the school-to-work program for children-at-risk, a technical college study grant program and a work-based learning program for youth who are eligible to receive temporary assistance for needy families.

6. A concern could be raised whether the newly-created Board would continue to operate the tech-prep program in its current form. Under federal law, the Board would be limited to using the tech-prep funding for a federally defined tech-prep education program. The current tech-prep is a school-based secondary level educational program; however, it appears possible under the federal provisions to use at least a portion of the funding for certain work-based learning activities such as youth apprenticeships. However, current state law, unchanged by the Governor's bill, requires that the tech-prep program must consist of a sequence of courses designed to allow high school pupils to gain advanced standing in the WTCS district's associate degree program upon graduation from high school. Therefore, it appears that Board modifications would be limited unless current law requirements are repealed. Officials from WTCS and DPI indicate that due to the timing of the grants, in 1999-00, funding will be distributed under current program guidelines; however, it is not certain how the program would operate once under the proposed Board's direction.

7. If the current tech-prep program is modified it is possible that the current organizational structure of the program would be eliminated. DPI has noted that the most effective strategy for implementing a statewide school-to-work program is through the existing 16 technical college tech-prep consortia, because the consortia encompass all of the secondary schools and work

with most of the 31 school-to-work partnerships. Individuals involved in the program testified before the Finance Committee that the existing structure, including the 16.0 tech-prep curriculum specialists at the technical colleges, provides a collaborative network for implementing the goals of the tech-prep program and if left in place could continue to increase the number of students choosing a technical career program directly out of high school. Under the Governor's recommendations, it is possible that if the program is modified by the Board, the tech-prep curriculum specialist positions funded with a portion of the \$70,000 allocated to each district could no longer be funded and the current organization would be eliminated. One could question, why an existing program with an organizational structure that has been regarded as successful should be modified at this time.

8. In addition, a concern may be raised that if the federal tech-prep monies would be used to fund the youth apprenticeship program or other allowable work-based programs, the current statewide effort to provide a number of different school-based options for high school students to pursue technical education would be reduced. Currently, school-based activities for high school students that involve technical education include the tech-prep program, the youth options program and technical college courses taught at the high school. Work-based activities include the two-year youth apprenticeship program and the one-year cooperative educational programs. In 1997-98, articulated tech-prep courses were offered in 367 (78.6%) of the state's 467 public high schools and combined elementary and secondary schools. Of the 3,905 courses offered, 3,627 (92.9%) were for advanced standing and 278 were for transcribed credit. It is uncertain to what extent these courses would continue to be offered under the Governor's proposal.

9. Further, one could argue that DPI is the state's designated K-12 education agency and is responsible for administering state school aids; assisting school districts in developing curricula, standards, assessments, school management programs and teacher and staff training; coordinating the transition from secondary to postsecondary education with the state's higher education systems; and administering numerous federal K-12 education programs. In addition, the statutes require DPI to provide technical assistance to school boards to develop technical preparation programs in each high school. The State Superintendent of Public Instruction is constitutionally and statutorily vested with the supervision of primary and secondary public education in Wisconsin.

10. Under the bill, the Board would be responsible for ensuring that the tech-prep program meets the federal program requirements including alignment of curriculum in grades 9 to 14 in order to provide students with a smooth transition from secondary school to technical college; ensuring programs meet state academic standards; link secondary and postsecondary schools and provide in-service teacher training and counselor training. It could be argued that these duties are closely tied with K-12 pupils, schools, curricula and standards as well as coordination with higher education systems and should remain in the purview of DPI and the State Superintendent.

11. However, it could be also be argued that transferring funding related to school-to-work activities to the Board would further centralize and consolidate funding and administration of the components of the state's school-to-work program.

B. Tech-Prep Funding and Positions

12. Under current state program guidelines, each of the 16 tech-prep consortia receives a flat grant (\$70,000 in 1998-99) and an additional amount based on the number of 10th grade students in the consortium. The state may retain a portion of the tech-prep funding for staff and state level projects. Of the \$2,106,800 FED provided for Wisconsin tech-prep programs in 1998-99, \$1,599,600 was distributed directly to the consortia, \$401,900 was used for state projects (conducted by one or more state agencies or consortia), and \$105,300 was used to pay the salary and fringe benefits of 1.75 FTE staff members (0.75 position in DPI and 1.0 position at the WTCS Board).

13. The Department of Public Instruction in its 1999-01 budget submission, estimated it would receive \$122,700 PR annually during the 1999-01 biennium for tech-prep program operations and \$1,931,500 PR annually for local assistance tech-prep projects. All of this federal funding would be transferred to DPI from WTCS. Of these amounts, administrative funding of \$52,700 PR would be used to pay the costs of 0.75 FTE staff position.

14. The Governor's proposal would reduce expenditure authority under DPI by \$1,990,000 annually and reallocate this funding to the Board. Of this amount, funding for local aids would be reduced by \$1,900,000 annually and funding for administrative functions would be reduced by \$90,000 annually. The Governor's recommendations would not delete the 0.75 position in DPI currently funded with federal tech-prep monies.

15. In order to correctly reflect the amount of expenditure authority that should be reduced under DPI, if the Committee approves the transfer of the tech-prep funding to the Board, \$1,931,500 PR annually for local assistance and \$122,700 PR annually for program operations could be deleted under DPI. This would represent an increase to the amounts to be reduced under DPI under the bill of \$31,500 PR annually for local assistance and \$32,700 PR annually for program operations.

16. The Governor's recommendations do not decrease funding under WTCS. Staff from the executive budget office indicate that it is the Governor's intent that \$53,000 FED of administrative tech-prep monies, currently used to fund 1.0 FTE position, would be transferred from WTCS to the Board. The Governor's recommendations would not delete the 1.0 tech-prep funded position in WTCS.

17. Under the bill, the Board would receive expenditure authority of \$2,150,000 PR annually and 3.0 PR positions starting in 1999-00. Of the total, \$144,900 PR annually would be provided for salaries, fringe benefits and related supplies and services funding for the 3.0 positions that would administer the federal funding. According to WTCS and DPI, it is estimated that in 1999-00, \$2,133,800 FED would be received for tech-prep programs. Therefore, the Finance Committee could reduce the level of expenditure authority the Board would receive for the tech-prep program, if the transfer is approved by \$16,200 PR annually.

18. Currently, 0.75 FTE position in DPI and 1.0 FTE position in WTCS administer the tech-prep program. The Governor's recommendations would create three new positions to administer the program once transferred to the Board. Arguably, since 1.75 positions can administer the program currently, and there are no additional state statutorily specified duties for the program under the bill, the Finance Committee could reduce the number of newly created positions to be funded with federal tech-prep monies under the Board by 1.25 PR positions.

19. Alternatively, the Committee could consider transferring the current 1.0 position from WTCS and 0.75 position from DPI to the Board and deleting the 3.0 positions recommended by the Governor to be funded with tech-prep monies. However, under the bill, DPI and WTCS would be required to assist the newly-created Board in providing the school-to-work program, youth apprenticeship program, the technical college student grant program and the work-based learning program. In addition, under current law, DPI and the WTCS Board are required to provide technical assistance to school boards to develop technical preparation programs in each high school. Arguably, some position authority would be needed meet these requirements. Officials from both DPI and WTCS have indicated they believe other funding could be reallocated for these positions in the upcoming biennium.

ALTERNATIVES

1. Approve the Governor's recommendations to provide expenditure authority under the Board for funds transferred from the WTCS Board of \$2,150,000 PR annually and 3.0 PR positions starting in 1999-00. In addition, reduce funding by \$1,990,000 PR annually in DPI to reflect the Governor's recommendation that federal monies provided for the tech-prep program would be reallocated to the Governor's Work-Based Learning Board rather than to DPI.

2. Modify the Governor's recommendations by deleting 1.25 PR positions under the Board. In addition, reestimate the expenditure authority to be eliminated from DPI by \$67,200 PR annually. Further, reestimate funding to be provided to the Board by deleting \$16,200 PR annually. Under this alternative, the Board would have expenditure authority \$2,133,800 PR annually, of which \$106,700 PR annually would be for the costs of 1.75 FTE positions.

Alternative 2	PR
1999-01 FUNDING (Change to Bill)	- \$166,800
2000-01 POSITIONS (Change to Bill)	- 1.25

3. Maintain current law. Restore \$1,990,000 PR annually in DPI and delete \$2,150,000 PR annually and 3.0 PR positions from DWD. Under this alternative, joint administration of the tech-prep program by DPI and WTCS would continue.

Alternative 3	PR
1999-01 FUNDING (Change to Bill)	- \$320,000
2000-01 POSITIONS (Change to Bill)	- 3.00

Prepared by: Tricia Collins

MO# Alt 2

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
JAUCH	<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
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
2 GARD	<input checked="" type="radio"/>	N	A
PORTER	<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
HUBER	<input checked="" type="radio"/>	N	A
RILEY	<input checked="" type="radio"/>	N	A

AYE 16 NO 0 ABS _____

WORKFORCE DEVELOPMENT--
EMPLOYMENT, TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Allocation of Tech-Prep Funding for Local Projects
[Paper #1062]

Motion:

Move to require the Governor's Work-Based Learning Board to distribute at least \$1,646,100 of federal Carl Perkins tech-prep program funding for the 1999-00 program year as follows: (a) \$70,000 to each of the 16 tech-prep consortia; and (b) a total of \$526,100 allocated among the consortia based on the number of 10th grade students in the consortium and the number of secondary schools within the Wisconsin technical college district. Further, direct the Board to review the local tech-prep programs and the organizational structure used to implement the tech-prep programs during the 1999-00 program year in order to determine whether the current local tech-prep programs and organizational structure should be continued beyond the 1999-00 program year, and to report to the Joint Committee on Finance (JFC) on their plan for these programs for approval under the 14-day passive review process. Specify that JFC could approve, modify or reject the Board's plan, and that the Board could only implement the plan approved by JFC.

Note:

This motion would require the Board to fund the current tech-prep consortia, during the 1999-00 program year as provided under the Department of Public Instruction and the Wisconsin Technical College System Board's 1999-00 program guidelines. Under the 1999-00 program guidelines, \$1,646,100 would be set aside for local projects. Of this funding, each of the 16 tech-prep consortium would receive a grant of \$70,000 and \$526,100 would be awarded to the consortia for approved activities based on: (a) the number of 10th grade students enrolled in high school within the technical college district; and (b) the number of secondary schools within the Wisconsin technical college districts. This funding allocation is similar to prior year funding allocations to tech-prep consortia.

In addition, during the 1999-00 program, the Board would be required to review the current program implementation structure and funding allocations to determine if the structure and funding allocations should continue in future years and report to the Committee their determinations under the 14-day passive review process.

10/17/74
10/17/74

MO#

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
2 SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 14 NO 2 ABS 6

(Gov) Agency: DWD -- Employment, Training and Vocational Rehab
Transfer of At-Risk School-to-Work Program to DWD

Recommendations:

Paper #1063: A2 and B2

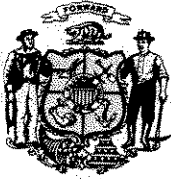
Comments: The governor can be commended for his willingness to invest more bucks in this program, which is the only school-to-work program targeted specifically towards at risk kids.

But there is simply no need to jerk it away from DPI and give it to some new board.

Alternative A2 takes the gov's suggested increase one better (\$200,000 additional GPR vs. the gov's \$100,000). If this fails, A1 (the gov's level) is fine.

Alternative B2 keeps the program in DPI.

Prepared by: Bob



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June 1, 1999

Joint Committee on Finance

Paper #1063

Transfer At-Risk Youth School-to-Work Program to DWD (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 1999-01 Budget Summary: Page 509, #13 and Page 664, #1]

CURRENT LAW

The State Superintendent may approve an innovative school-to-work program provided by a Milwaukee County nonprofit organization for children-at-risk after reviewing the recommendations of the Governor's Council on Workforce Excellence. The grant must be used to provide a program that assists at-risk children in acquiring employability skills and occupational-specific competencies before leaving high school.

GOVERNOR

Transfer \$250,000 GPR annually and the DPI at-risk youth school-to-work program to the proposed Governor's Work-Based Learning Board (Board) and specify that the Board may award a grant under the program. Increase base level funding for the program by \$50,000 GPR annually so that a total of \$300,000 GPR in each year would be provided for the program. Define at-risk children using the definition from the children at-risk program. Under that program, children at-risk are defined to include dropouts, habitual truants, parents or adjudicated delinquents who are either in grades 5 through 12 and are one or more years behind their age group in the number of high school credits attained or two or more years behind their age group in basic skill levels.

DISCUSSION POINTS

1. Under the provisions of 1997 Act 27, \$250,000 GPR annually was provided to DPI to fund the at-risk youth program. Funding was awarded to Milwaukee Public Schools (MPS) which, through a subcontract with the Milwaukee County Private Industry Council, is implementing a program based on and affiliated with the national Jobs for American's Graduates (JAG) program.

The JAG program works to assist states to organize and implement education and employment transition systems with priority on at-risk and disadvantaged youth. The goal of the program is to keep students in school and help them graduate and find and maintain quality jobs.

2. The national JAG program components include: (a) a specialist who assists 35 to 45 at-risk students; (b) reductions in barriers that would keep a participant from receiving a diploma, securing employment or pursuing secondary education or job training; (c) involvement of participants in the JAG career association; (d) classroom instruction in 37 employment competencies identified by the business community which include competencies in career development, job attainment, job survival, basic skills, leadership and self development and personal skills; (e) involvement of the business community; (f) individual job counseling; (g) twelve months of follow-up and support after leaving school; (h) computerized tracking of services and performance; (i) delivery of services at a cost of \$1,100 to \$1,500 per participant; and (j) staff professional development.

3. The overall objective of the national JAG program is to have 80% of the students who graduate from the program be employed in full-time jobs, full-time military service or combining part-time work with enrollment in a postsecondary educational or training program. No more than 20% of those should be working part-time with the remaining 60% of the graduates being employees in full-time jobs or military service. Nationally, the program met the 80% objective the last five years. In addition, in the 1997 school year approximately 90% of the participants graduated from high school.

4. According to DPI staff, the program in MPS is being implementing starting with 12th grade students. It is anticipated that each year, an additional grade will be added to the program until 9th through 12th grade students are participating. Program services will be provided for pupils during the school year and summer and for one year after graduation. Under the program, each student has an individual plan to guide the student through high school and into a career, which may include postsecondary education.

5. Currently, three MPS schools and approximately 120 12th grade students have been involved in the program. Nationwide, in 1997-98, the JAG program served approximately 42,000 pupils and graduates in 750 high schools and vocational centers in 28 states in 1997-98.

6. The budget bill, provides an additional \$50,000 GPR annually for the program, above base level funding of \$250,000. In a letter dated April 15, 1999, the Secretary of Administration, reported that it was the Governor's intent to provide an additional \$150,000 GPR annually for this program. Staff from the executive budget office indicate that it is the Governor's intent that the additional funding would be used to expand the current program to an additional high school in MPS, Racine or Kenosha and Waukesha.

7. The Finance Committee may wish to consider whether additional funding should be provided for this program at this time. Since the program just recently started in MPS, there is little information on its effectiveness in MPS. While it has been indicated that the JAG national office positively evaluated the Wisconsin program, the written evaluation will not be complete for several

weeks. Further, since the current program is only in its initial phase, members may wish to wait and evaluate the need for program expansion when more students have been involved in the program. However, based on the national performance outcomes Committee members may feel additional funding should be provided to expand the program to additional schools. Further, currently this is the only school-to-work program targeted specifically towards at-risk youth.

8. Under the Governor's recommendation, this program would be transferred from DPI to the proposed Board and the Board would approve and award the grant rather than the State Superintendent. Due to the focus on school-to-work, the Board may be the appropriate entity to administer this children-at-risk. However, because DPI currently administers a children-at-risk grant program and because the program focuses on high school pupils and has school-based components, DPI could continue to administer the program.

ALTERNATIVES

A. Program Funding

1. Approve the Governor's recommendation to provide an additional \$50,000 GPR annually for the program.
2. Modify the Governor's recommendation by providing an additional \$100,000 GPR annually.

<u>Alternative A2</u>	<u>GPR</u>
1999-01 FUNDING (Change to Bill)	\$200,000

3. Maintain current law.

<u>Alternative A3</u>	<u>GPR</u>
1999-01 FUNDING (Change to Bill)	- \$100,000

B. Program Administration

1. Approve the Governor's recommendation to transfer to the program to the Governor's Work-Based Learning Board.
2. Maintain current law, which requires the State Superintendent to approve and award the grant under the program.

Prepared by: Tricia Collins

MO# A-2, B-2

BURKE	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
DECKER	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
JAUCH	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
MOORE	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
SHIBILSKI	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
PLACHE	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
COWLES	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
PANZER	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
GARD	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
PORTER	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
KAUFERT	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
ALBERS	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
DUFF	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
WARD	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
HUBER	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
RILEY	<input checked="" type="radio"/> Y	<input type="radio"/> N	A

AYE 8 NO 8 ABS 0

(Gov) Agency: DWD -- Adult Apprentice Coordinators

Recommendations:

Paper #1064: Alternative 6 (maintain current law)

Card 1 or 2

Comments: The governor would snag some federal funds to create two additional field representatives to meet current workload demands for the apprenticeship and training program at DWD.

Fiscal Bureau points out that because there is no permanent ongoing revenue source for these positions, it is likely there would not be sufficient funding for the positions in future biennia. Also, it is suggested that the additional workload could be absorbed by the current 11 positions.

Prepared by: Bob



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June 1, 1999

Joint Committee on Finance

Paper #1064

Adult Apprentice Coordinators (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 1999-01 Budget Summary: Page 672, #2]

CURRENT LAW

The Department of Workforce Development (DWD) has statutory authority to determine reasonable apprenticeship classifications, issue rules and regulations, issue general or special orders, hold hearings, make findings and render orders necessary for conducting apprenticeship programs. The Bureau of Apprenticeship Standards in the Division of Workforce Excellence is responsible for monitoring and regulating the apprenticeship programs. The Bureau has annual funding of \$1,127,600 GPR and 13.4 GPR positions and \$224,900 FED and 2.5 FED positions.

GOVERNOR

Provide \$99,300 FED and 2.0 FED positions annually to expand the apprenticeship and training program into high demand occupations.

DISCUSSION POINTS

1. The apprenticeship program involves employers, employees, labor unions, employer associations, technical colleges and the state and federal governments. The employer contracts with an employee to provide a combination of on-the-job and related classroom training in a particular trade, craft or business. The contract must be approved by the Bureau of Apprenticeship Standards. Typically, the related classroom training is provided by a technical college while the on-the-job training is supervised by a skilled journey worker at the work-site. Upon completion of the apprenticeship training, the employee is issued an apprentice completion certificate. As of November 1998, there were 9,031 apprentices, 3,100 employers and 105 area apprenticeship committees.

2. The two positions would be field representatives. Field representatives are responsible for developing, reviewing, approving, modifying and conducting apprenticeship and training programs. They also perform promotional and coordinating activities between sponsors and apprentices and are responsible for management of local apprenticeship committees. Regular affirmative action and quality compliance audits are conducted with each sponsor, apprentice and committee. Field representatives have frequent contacts with employers, union personnel, technical college administrators and staff, apprenticeship applicants, government agencies and community-based organizations. The Bureau currently has 11 field representatives.

3. The new positions would be used to meet current workload demands. Reductions in the federal Bureau of Apprenticeship have increased Bureau staff workload by the equivalent of one position. In addition, the positions would be used to increase sponsors and apprentices in high-skilled and demanded occupations.

4. In its agency budget request, DWD requested \$99,300 GPR and 2.0 GPR positions annually.

5. As noted, the bill would provide annual funding of \$99,300 FED and 2.0 FED positions. The source of FED funding for the position would be DWD's employment security buildings and equipment appropriation.

6. The sole source of funding for the employment security buildings and equipment appropriation is federal Reed Act funds. 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. Federal Reed Act distributions to Wisconsin have been very infrequent. The state was allocated about \$3 million for the period of 1956, 1957 and 1958. The state received \$337,000 in 1998. No future allocations are anticipated at this time.

7. Under federal law, Reed Act funds can be used to pay unemployment insurance benefits and to fund expenses incurred in administering unemployment insurance and other employment security programs. The funds in the appropriation have been used to construct employment security buildings (unemployment insurance and Division of Workforce Excellence buildings) and for special administrative projects. Funds used to construct buildings are recovered through amortization payments. DWD receives \$14,300 a year in these payments. However, the Department is in the process of selling its employment security buildings and returning the proceeds to the federal government. Reed Act funds are currently used for heating, ventilation and air conditioning (HVAC) repairs. The Department has also used Reed Act monies to develop a computer system, remodel offices and purchase personal computers. In addition, 1997 Wisconsin Act 39, provided \$450,000 from this appropriation to fund development and design of unemployment insurance information technology systems. There are no positions currently funded from the appropriation.

8. The following table shows the revenues, expenditures and beginning and year-end

balances in the employment security buildings and equipment appropriation under AB 133. The table shows that the balance in the appropriation would be sufficient to fund the positions during the 1999-01 biennium. The table also indicates that the 2000-01 balance would be enough to fund the positions at their current level in the 2001-03 biennium. However, there would be no permanent funding source. Moreover, ongoing amortization revenues are expected to decline and pay plan and fringe benefit increases would increase annual costs to a level that could exceed available revenues. Because there is no permanent ongoing revenue source, it is likely that there would not be sufficient funding for the positions in future biennia.

	<u>1999-00</u>	<u>2000-01</u>
Opening Balance	\$863,800	\$328,800
Revenues	14,300	14,300
UI Information Technology Redesign	450,000	0
Expenses	<u>99,300</u>	<u>99,300</u>
Closing Balance	\$328,800	\$243,800

9. In view of the funding situation, the Committee may wish to consider making the positions two-year project positions. The Department could develop and identify an alternative funding source in its 2001-03 budget request. Since the positions would, in part, meet workload demands equivalent to one position, \$49,700 FED and 1.0 FED project position could be provided in each year. Alternatively, the FED positions and related funding could be deleted and, instead, \$49,700 GPR and 1.0 GPR position or \$99,300 GPR and 2.0 GPR positions could be provided annually. Finally, the additional workload could be absorbed by the current eleven positions.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$99,300 FED and 2.0 FED positions annually to expand the apprenticeship program into high demand occupations.

2. Modify the Governor's recommendation to provide 2.0 two-year project positions rather than permanent positions.

3. Modify the Governor's recommendation to delete \$49,600 FED and 1.0 FED position in each year and to convert the remaining 1.0 FED permanent position to a two-year project position.

<u>Alternative 3</u>	<u>FED</u>
1999-01 FUNDING (Change to Bill)	- \$99,200
2000-01 POSITIONS (Change to Bill)	- 1.00

4. Delete the Governor's recommendation and, instead, provide \$49,700 GPR and 1.0 GPR position annually to expand the apprenticeship program into high demand occupations.

<u>Alternative 4</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	\$99,400	-\$198,600	-\$99,200
2000-01 POSITIONS (Change to Bill)	1.00	-2.00	-1.00

5. Delete the Governor's recommendation and, instead, provide \$99,300 GPR and 2.0 GPR positions annually to expand the apprenticeship program into high demand occupations.

<u>Alternative 5</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	\$198,600	-\$198,600	\$0
2000-01 POSITIONS (Change to Bill)	2.00	-2.00	0.00

6. Maintain current law.

<u>Alternative 6</u>	<u>FED</u>
1999-01 FUNDING (Change to Bill)	-\$198,600
2000-01 POSITIONS (Change to Bill)	-2.00

MO# Alt. 6 NOV. MO# Alt 2

BURKE	Y	N	A	BURKE	Y	N	A
DECKER	Y	N	A	DECKER	Y	N	A
JAUCH	Y	N	A	JAUCH	Y	N	A
MOORE	Y	N	A	MOORE	Y	N	A
SHIBILSKI	Y	N	A	SHIBILSKI	Y	N	A
PLACHE	Y	N	A	PLACHE	Y	N	A
COWLES	Y	N	A	COWLES	Y	N	A
PANZER	Y	N	A	PANZER	Y	N	A
GARD	Y	N	A	GARD	Y	N	A
PORTER	Y	N	A	PORTER	Y	N	A
KAUFERT	Y	N	A	KAUFERT	Y	N	A
ALBERS	Y	N	A	ALBERS	Y	N	A
DUFF	Y	N	A	DUFF	Y	N	A
WARD	Y	N	A	WARD	Y	N	A
HUBER	Y	N	A	HUBER	Y	N	A
RILEY	Y	N	A	RILEY	Y	N	A

AYE 8 NO 8 ABS _____

AYE 8 NO 8 ABS _____

WORKFORCE DEVELOPMENT -- EMPLOYMENT,
TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Apprenticeship Program
[Paper #1064]

Motion:

Move to provide the Bureau of Apprenticeship Standards in the Division of Workforce Excellence with \$175,000 GPR in 1999-00 to fund a Trade Masters Program and \$125,000 GPR in 1999-00 to fund promotional materials directed at encouraging youth to participate in the apprenticeship program.

Note:

The Department of Workforce Development (DWD) has statutory authority to determine reasonable apprenticeship classifications, issue rules and regulations, issue general or special orders, hold hearings, make findings and render orders necessary for conducting apprenticeship programs. The Bureau of Apprenticeship Standards in the Division of Workforce Excellence is responsible for monitoring and regulating the apprenticeship programs. The Bureau has annual funding of \$1,127,600 GPR and 13.4 GPR positions and \$224,900 FED and 2.5 FED positions.

This motion would provide the Bureau of Apprenticeship Standards with \$175,000 GPR in 1999-00 to fund a Trade Masters Program. The program would recognize lifelong apprentices that act as mentors to other workers. The program was proposed by the Legislative Counsel Special Committee on State Strategies for Economic Development. This motion would also provide the Bureau of Apprenticeship Standards with \$125,000 GPR in 1999-00 to fund promotional materials for youth to participate in the state apprenticeship program.

[Change to Bill: \$300,000 GPR]

MO#

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 4 NO 9 ABS _____

WORKFORCE DEVELOPMENT -- EMPLOYMENT,
TRAINING AND VOCATIONAL REHABILITATION PROGRAMS

Rehabilitation Services Funding
[Paper #175]

Motion:

Move to delete \$350,000 PR annually in tribal gaming revenue and instead provide \$350,000 GPR annually to fund vocational rehabilitation services for Native American individuals, tribes and bands.

Note:

Under current law, the Division of Vocational Rehabilitation (DVR) in the Department of Workforce Development (DWD) is required to advise and assist any disabled individual who applies to DVR for vocational rehabilitation services. Under Title I-B of the federal Vocational Rehabilitation Act, state funding of 21.3% is required as a match to federal funding of 78.7% for vocational rehabilitation services which move a disabled person toward employment.

AB 133 would provide \$350,000 PR annually to fund vocational rehabilitation services for Native American individuals and recognized Native American tribes or bands. Funding would be provided from tribal gaming revenue provided to the state under the recently completed state-tribal gaming compact amendments. A separate appropriation under DVR would be created for the gaming compact funds. The Committee approved this provision at the May 21 meeting.

This motion would delete the tribal gaming revenue funding for vocational rehabilitation services for Native Americans and substitute GPR funding.

[Change to Bill: \$700,000 GPR and -\$700,000 PR]

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 8 NO 8 ABS _____

(Gov) Agency: DWD - Wisconsin Conservation Corps
Funding for Crews

Gard 3

Recommendations:

Paper No. 1065: Alternative 1 (no action needed)

Comments: I'm sure Rep. Gard will want to replace GPR with SEG funding (i.e. alternative 3) and maintain crew levels at current amounts - but he needs 9 votes to do it.

I suppose Gard's proposal is not the end of the world, but I think you should go for the gov's recommendation (i.e. Alternative 1) to add 5 new crews with forestry account money. The WCC does a lot of good things all around the state (plus work on the Hank Aaron Trail) and we should help these kids get some job training. That's a much better investment in our future than throwing a few more pennies onto the GOP tax break for the rich.

prepared by: Barry