Gov Agency: DWD(Economic Support & Child Care)
DHFS(Children & Family Services)
Community Youth Grants & Brighter Futures

Recommendations:

Paper No. 1103 **Alternative:** C2, D2

Comments:

C2 Combine Community Youth Grants and Brighter Futures

Combines programs since in practice, the services provided to youth are likely to be similar under both programs. Keeping the programs separate would increase the fragmentation of prevention funding at the state level. The goals of both programs are consistent: promoting positive youth behavior resulting in more resilient and self-sufficient youth that are less likely to become pregnant or father a child, less likely to become involved with drugs or alcohol, less likely to engage in violent behavior and are more likely to graduate from high school and be better prepared for adulthood.

***2nd best alternative: C1 which also combines both programs but reduces funding.

D2 Role of Tribes in Brighter Futures

Allow the tribes to continue to receive funding for adolescent pregnancy prevention and self-sufficiency programs without being subject to the requirements of Brighter Futures. The tribes argue that to hold them accountable to meet the performance criteria of Brighter Futures, separate from the goals developed under the consolidated family services contract, is inconsistent with the intent of the consolidated family services contracts to provide the tribes with the flexibility in administering funds for family services.

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June 1, 1999 | Joint Committee on Finance | Paper #1103

TANF

Community Youth Grants and Brighter Futures (DWD -- Economic Support and Child Care and DHFS -- Children and Family Services)

[LFB 1999-01 Budget Summary: Page 311, #4 and Page 697, #44]

CURRENT LAW

Current law contains no provision or funding for community youth grants.

The Department of Health and Family Services (DHFS) provides state and federal funding for a variety of adolescent programs aimed at preventing youth substance abuse, violence and adolescent pregnancy and promoting adolescent self-sufficiency. These programs are currently supported either with GPR or the federal substance abuse prevention and treatment (SAPT) block grant. A description of these programs is included in the attachment to this paper. The following table identifies annual base funding for these programs.

Current DHFS Adolescent Prevention Programs

	GPR	FED	Total
Adolescent pregnancy prevention services	$340,000	-	$340,000
Adolescent self-sufficiency services	582,100	-	582,100
Adolescent services	350,000	-	350,000
Adolescent CHOICES projects	210,000	-	210,000
Community alcohol and other drug abuse prevention	250,000	$250,000	500,000
Neighborhood drug use and violence prevention	-	1,200,000	1,200,000
Drug prevention for high school athletes	30,000	-	30,000
Pregnancy counseling services	197,400	-	197,400
High-risk youth inner-city projects	-	200,000	200,000
Community substance abuse education	-	125,000	125,000
Total	$1,959,500	$1,775,000	$3,734,500

In addition to these programs, counties can receive funding for prevention-related activities from a variety of sources. Two funding sources that are available to all counties include approximately $2.7 million FED annually provided to counties through the SAPT block grant allocation under community aids and approximately $2.9 million FED annually for family support, preservation and time-limited reunification services available through Title IV-B of the federal Social Security Act and the Safe and Drug Free School and Communities Act (SDFSCA).

GOVERNOR

Community Youth Grants

Provide $5,000,000 FED in 1999-00 and $15,000,000 FED in 2000-01 in the Department of Workforce Development (DWD) for a competitive grant program to fund programs that improve social, academic and employment skills of youth who are eligible to receive funding under the temporary assistance to needy families (TANF) program. Further, specify that the Safe and Sound initiative in the City of Milwaukee and Wisconsin Good Samaritan Project, Inc. must receive funding allocated under the community youth grants without participating in a competitive process.

Brighter Futures

Delete $1,367,100 GPR and provide $1,367,100 PR annually in DHFS in TANF block grant funds transferred from DWD to reflect the portion of DHFS adolescent programs that provide services for pregnancy prevention and self-sufficiency and would be considered TANF-eligible.

Beginning in 2000-01, create a new adolescent prevention program by consolidating funding from ten different DHFS programs that promote positive youth behaviors into two separate allocations, one for youth violence, substance use and abuse and child abuse and neglect and another for nonmarital pregnancy prevention and promotion of adolescent self-sufficiency. The bill provides the following statutory modifications to implement the Brighter Futures initiative:

- Beginning January 1, 2001, direct DHFS to award grants in each fiscal year totaling $2,367,400 to prevent and reduce the incidence of youth violence and other delinquent behavior, youth alcohol and other drug use and abuse and child abuse and neglect to: (a) nonprofit corporations and public agencies in Milwaukee County ($1,250,600); (b) county social services and human services departments in other counties ($1,109,300); and (c) American Indian tribes or bands ($7,500). These grants would be supported by GPR and the federal SAPT block grant.

- Beginning January 1, 2001, direct DHFS to award grants in each fiscal year totaling $1,367,100 to prevent and reduce the incidence of nonmarital pregnancy and increase

the use of abstinence as a method of preventing nonmarital pregnancy and increase adolescent self-sufficiency by encouraging high school graduation, vocational preparedness, improved social and other interpersonal skills and responsible decision-making. These grants, which would be supported by TANF funds, would be allocated to: (a) nonprofit corporations and public agencies in Milwaukee County ($769,500); (b) county social services and human services departments in other counties ($425,100); and (c) American Indian tribes or bands ($172,500).

- Require DHFS to provide a set of benchmark indicators to measure the outcomes expected of programs funded under Brighter Futures. The benchmark indicators would measure the following among participating youths: (a) the rate of participation in violence and other delinquent behavior; (b) the rate of alcohol and other drug use and abuse; (c) the rate of nonmarital pregnancy and use of abstinence to prevent nonmarital pregnancy; (d) the rate of substantiated cases of child abuse and neglect; (e) the development of self-sufficiency, as indicated by the rate of high school graduation, the degree of vocational preparedness, any improvements in social and other interpersonal skills and in responsible decision-making and any other indicators that DHFS considers important in indicating the development of adolescent self-sufficiency; and (f) any other indicators DHFS considers important in indicating the development of positive behaviors among adolescents.

- Require applying nonprofit corporations, public agencies and American Indian tribes to provide to DHFS a proposed service plan for the use of grant moneys for DHFS approval as a condition of receiving a grant. Require DHFS to award grants on a competitive basis for a three-year period. Define a nonprofit corporation as a nonstock, nonprofit corporation organized under Chapter 181 of the statutes. Define a public agency as a county, city, village, town or school district or an agency of one of these.

- Require each grant recipient to provide an annual report showing the status of its program participants in terms of the benchmark indicators. DHFS could renew a grant only if the recipient shows improvement on those indicators.

- Beginning July 1, 2000, delete statutory provisions and funding amounts for current DHFS programs targeted towards adolescents as identified above. (This funding would be used to fund the Brighter Futures initiative, beginning January 1, 2001).

- Modify certain provisions that currently reference DHFS adolescent pregnancy prevention and adolescent CHOICES projects to instead reference Brighter Futures.

The following table identifies the annual funding amounts that would be available beginning January 1, 2001, to Milwaukee County, the other 71 counties and the tribes according to the statutory allocations for Brighter Futures.

Governor's Recommendations
Annual Allocation for Brighter Futures

	GPR & SAPT Block Grant	TANF Block Grant	Total
Milwaukee County	$1,250,600	$769,500	$2,020,100
Non-Milwaukee Counties	1,109,300	425,100	1,534,400
Tribes	7,500	172,500	180,000
Total	$2,367,400	$1,367,100	$3,734,500

DISCUSSION POINTS

Community Youth Grants

1. Although not specified in the bill, the administration originally indicated that community youth grants would be provided to W-2 agencies, which would be required to contract with community agencies. Since the introduction of the bill, the administration and DWD have modified the proposal, so that funding would be provided directly from the Department to community organizations. Although a final determination regarding how funding would be distributed has not yet been made, the Department originally proposed allocating funding based upon a measure of the number of low-income children in each county, such as the number of children that meet the criteria for free lunch programs.

2. All governmental, nonprofit, community-based organizations (CBOs) and for-profit agencies would be eligible to apply for funding. Preference for funding would be given to programs that serve children in a neighborhood setting. Specific examples of allowable services include: case management services; drug and pregnancy prevention; assessing and identifying learning disabilities; academic remediation and advancement; activities geared toward gifted students; after-school care programs; cultural awareness; transitional skills; career choices; counseling; and life management skills, such as problem-solving and decision-making.

3. The purpose of the community youth grant program is to better prepare youth for life and to succeed in post-secondary education or in the work place. The program is intended to provide local communities with funding to invest in program models that serve children, strengthen the connection between parents, children and their schools and improve basic life skills. Programs would have to support positive behavior in children and their families.

4. The bill specifies that funding would be provided for programs that serve TANF-eligible youth. According to the final TANF regulations, families eligible for the TANF program must be low-income families as defined by the state. The Department has indicated that it would limit this program to youth age five to 18 whose family income is at or below 200% of the federal poverty level. The services specified by the Department appear to meet the purposes of the TANF

program. Depending on the services provided by a particular program, the federal goals of ensuring that children are cared for in their own homes, preventing and reducing the incidence of out-of-wedlock pregnancies and promoting two-parent families could be met.

5. As noted earlier, under the Governor's proposal, the Department would be required to provide funding from the community youth grants to the Safe and Sound initiative in the City of Milwaukee and the Wisconsin Good Samaritan Project, Inc., and could not require those organizations to enter into a competitive process in order to receive funding. Although not specified in the bill, the administration has indicated that, of the overall amount, $1.0 million in 1999-00 and $1.5 million in 2000-01 would be provided to the Safe and Sound initiative, and $250,000 annually would be earmarked for the Wisconsin Good Samaritan Project.

6. The Safe and Sound initiative is designed to prevent youth crime and violence by organizing neighborhoods against drug sales and gangs and by offering "safe places" for children and teenagers to engage in positive activities after school, on the weekend and during the summer. According to the administration, funding would be provided for the teens in the program. The Safe and Sound initiative currently receives funding under the neighborhood drug use and violence prevention program, which would be eliminated under the Governor's recommendations related to Brighter Futures. The program also receives approximately $200,000 annually under the child care program for children age 12 and under at grade school sites that offer child care before and after school. In addition, the program receives other state funding from the Department of Justice under the state's Weed and Seed program ($250,000 annually for three years) and receives several grants from the federal government.

7. According to the administration, the Wisconsin Good Samaritan Project will focus on providing services to inner-city youth who have dropped out of school or who are at risk of dropping out of school, or who are first-time juvenile offenders. The project would provide tutoring, basic skills training, peer group support, counseling and services for youth who may have alcohol or other drug problems.

8. As indicated above, the specific dollar amounts that would be earmarked for the Safe and Sound initiative and the Wisconsin Good Samaritan Project are not specified in the bill. Further, under the bill, these organizations could receive all of the funding under the community youth grants, or a smaller amount than that identified. Therefore, if the Committee wishes to approve the Governor's recommendation, the exact dollar amounts for each of these organizations could be specified. These organizations would not be prohibited from receiving additional funding under a competitive process. However, it is unclear why these two organizations should receive funding without competing. Therefore, the Committee could also delete the provisions that would require DWD to provide funding to them without using the competitive process.

9. Detailed provisions regarding community youth grants as described above are not included in the bill. In addition, since the introduction of the bill, the administration and the Department have modified the proposal, yet it remains unclear exactly how funding would be allocated, what criteria would be used in evaluating proposals and how programs that receive

funding would be evaluated. Therefore, because several details have not been determined, the Committee could place the funding included in the bill for community youth grants in the Committee's program supplements appropriation to be released upon approval by the Committee under the 14-day passive review process of a more detailed plan for these funds.

10. The bill includes considerable amounts of funding for community youth grants ($5,000,000 in the first year and $15,000,000 in the second year). It is unclear how the administration determined these amounts and it is uncertain as to what level of program participation would occur. Therefore, given the other competing demands for TANF funding, another alternative would be to reduce the amount provided for this program or delete the program from the bill.

11. Finally, it should be noted that the services that are allowable under the community youth grants are similar to the services that would be provided under the Brighter Futures program, as discussed below. Therefore, the Committee may wish to consider an alternative to combine these two programs.

Brighter Futures

12. A 1996 Legislative Audit Bureau report on the state's prevention activities found a significant amount of duplication of services among prevention programs, particularly programs aimed at youth. The report indicated that "given the extent of potential duplication and restrictive program requirements [of the many different prevention programs], the efficient and effective provision of prevention services will require improved program coordination at both the state and local levels."

13. Partly in response to the 1996 LAB report, DHFS developed the Brighter Futures initiative. The funding and statutory changes in the bill only reflect a portion of the scope of the Brighter Futures initiative. The funding provided in the bill for Brighter Futures reflects supplemental funding that would be available to certain counties and tribes. This funding is currently distributed to communities under ten different programs targeted for specific purposes. Under the bill, this funding would be consolidated into two funding streams available to certain counties and tribes.

Although not specified in the bill, all counties and tribes would be expected to participate in Brighter Futures in that base funding for prevention activities (a county's SAPT block grant allocation provided under community aids and a county's or tribe's Title IV-B and SDFSCA allocation) would be subject to the same performance criteria and all counties and tribes could participate in training and technical assistance to increase the effectiveness of prevention resources in their community. DHFS staff indicate that the funding provided in the Governor's bill is not sufficient for all counties and tribes to receive supplemental funding.

14. Conceivably, Brighter Futures could affect the way all prevention-related resources in a county or the tribe are allocated in that, under Brighter Futures, each county or tribe would be

expected to coordinate all prevention-related activities in order to develop a continuum of services available to families in order to achieve the goal of promoting positive youth behavior and promoting stronger families.

15. The following is a description of how Brighter Futures would work in the selected counties and tribes:

- Each county and tribe would be required to submit a plan to DHFS for approval. In that plan, each would have to demonstrate how it used a local planning process to develop the plan and to identify the goals of that community and how the resources, including other federal and state revenue, would be distributed within that community. This local planning process would be required to incorporate the stakeholders in the community.

- Each entity receiving Brighter Futures supplemental funding would be required to achieve certain goals related to performance. These goals, as specified in the bill, would be related to rates of child abuse and neglect substantiation, youth violence and substance use and abuse and nonmarital pregnancy prevention and self-sufficiency. In addition, DHFS could develop other indicators. DHFS is currently in the process of identifying the specific performance indicators against which the recipients would be measured.

- DHFS would provide training and technical assistance to assist counties and tribes to adjust to the new method of allocating funds and to performance measurement. All counties and tribes would be able to participate in the training and receive technical assistance regardless of whether the county or tribes receives supplemental funding. Further, DHFS would contract with the Wisconsin Clearinghouse for Prevention Resources, associated with the University of Wisconsin - Extension, to provide counties and tribes with research on programs that have demonstrated effectiveness in reducing certain behaviors among youth and strengthening families.

16. The Committee could make three modifications to Brighter Futures, based on an April 14, 1999, letter to the Co-chairs by DHFS Secretary Leean.

- The Governor's budget identifies the amount of supplemental funding that would be provided to Milwaukee County. DHFS indicates that this provision was intended to ensure that the amount of funding provided to Milwaukee County under the previous ten programs continues to be available to Milwaukee County. However, the amount allocated for Milwaukee County in the Governor's budget does not reflect the actual amount available to Milwaukee County agencies under the current ten programs. It incorrectly allocates funding that is provided to three police departments in Milwaukee County to non-Milwaukee counties ($105,100). Therefore, the Committee could increase the amount provided to Milwaukee County by $105,100 and reduce the amount provided to non-Milwaukee counties by a corresponding amount.

- The supplemental funding identified in the bill includes funding from a program which provides $200,000 for high-risk inner-city youth projects. Since this program provides both prevention services and treatment services and serves both youth and adults, the Committee could

delete the provisions in the bill that would incorporate this program into Brighter Futures.

- The Governor's bill would require tribes to compete for supplemental funding under Brighter Futures. Secretary Leean's letter indicates that, since tribes already receive this funding through the consolidated family services contract (a consolidated grant process), to subject the tribes to a competitive process is unnecessary. Therefore, the Committee could modify the bill to exclude tribes from the competitive process to receive supplemental funds under Brighter Futures.

17. However, the existence of the consolidated family services contract argues that the tribes be excluded from Brighter Futures entirely. On May 12, 1999, the Great Lakes Intertribal Council Board of Directors passed a resolution opposing the Governor's budget provision regarding Brighter Futures and requesting the Committee to delete the provision that would subject funds currently distributed to the tribes through the consolidated family services contract to the requirements of the Brighter Futures initiative and instead continue to fund these services as currently provided.

18. Representatives of the tribes have argued that to hold the tribes accountable to meet the performance criteria of Brighter Futures, separate from the goals developed under the consolidated family services contract, is inconsistent with the intent of the consolidated family services contracts to provide the tribes with flexibility in administering funds for family services. The administration, however, argues that the goals and requirements of Brighter Futures are not inconsistent with the goals of the tribal consolidated family services projects and opposes excluding the tribes from the Brighter Futures requirements, other than excluding the tribes from the competitive bidding process to receive the supplemental funds.

19. If the Committee agrees with the tribes' argument, the Committee could adopt the Governor's recommendations to provide a total of $180,000 ($7,500 GPR and $172,500 PR (TANF)) to the tribes for adolescent programs, as provided under current law, but exclude the tribes from the requirements of the Brighter Futures initiative. In doing so, the Committee could specify that DHFS, in allocating any TANF funds to the tribes, work with DWD to ensure TANF requirements are met. Alternatively, if the Committee supports the administration's position on this issue, the Committee could modify the Governor's recommendations by excluding the tribes from the competitive bidding process for receipt of supplemental funds, but adopt the recommendations that would require the tribes to meet the goals and performance requirements of Brighter Futures.

20. Finally, the bill would create two separate allocations for Brighter Futures, one for GPR and SAPT block grant funding and another for TANF funding. The administration considered two allocations necessary to ensure that TANF reporting requirements would be met. However, the final TANF regulations were released subsequent to introduction of the Governor's budget bill. With the release of the final regulations, and working with DHFS and DWD to ensure that any reporting requirements are met, the two separate allocations are no longer necessary and, therefore, the bill should be modified to provide a single allocation for supplemental Brighter Futures funding.

Program Consolidation

21. The bill would increase the fragmentation of prevention funding at the state level by establishing two separate programs -- the community youth grants and Brighter Futures -- that have similar purposes and are targeted to similar populations. The goals of both programs are consistent: promoting positive youth behavior resulting in more resilient and self-sufficient youth that are less likely to become pregnant or father a child, less likely to become involved with drugs or alcohol, less likely to engage in violent behavior and are more likely to graduate from high school and be better prepared for adulthood.

22. While DHFS indicates that there is nothing inconsistent between the goals of Brighter Futures and the community youth grants, the administration maintains that the focus of Brighter Futures is on reducing youth violence, substance abuse, pregnancy prevention and adolescent self-sufficiency, and the main objective of the community youth grants is to improve the academic and employment skills of at-risk youth with services such as career choices and counseling, as well as drug and pregnancy prevention and life management skills.

23. In practice, the services provided to youth are likely to be similar under both programs. As an example, the Governor proposes to fund the Safe and Sound initiative, a program that is designed to prevent youth crime and violence, one of the goals of the Brighter Futures initiative, with funding under the community youth grants. Other activities that would be allowable under both programs include after-school programs, tutoring, youth mentoring, recreational activities to promote connections between adolescents and their parents, life skills training and career counseling.

24. If the Committee adopts the Governor's recommendations to establish two separate programs in two agencies with similar goals, the design of the Brighter Futures initiative allows for collaboration and coordination at the local level. Under Brighter Futures, it is expected that participating counties would involve all local activities aimed at youth with the goal of promoting positive youth behaviors and promoting family strengths. Therefore, a county would be expected to coordinate with any recipient of funds under the community youth grants as part of its community-wide planning process.

25. However, the Committee could consolidate funding for prevention activities at the state level by deleting the community youth grants in DWD and, instead, transferring a portion of the dollars provided for those grants to DHFS to increase funding for Brighter Futures. This would allow supplemental funding to be available statewide.

Under such an alternative, the Committee could increase supplemental funding for Brighter Futures by $10 million annually. Since implementation of Brighter Futures would not begin until January 1, 2001, only six months of funding would be required in this biennium, or $5.0 million in 2000-01. In adopting this alternative, the Committee would decrease TANF funds budgeted in this biennium by $15.0 million, but TANF funds budgeted in the next biennium for Brighter Futures would be increased by $5.0 million in order fund the remaining six months of annual funding for

2001.

26. Alternatively, the Committee could increase supplemental funding for Brighter Futures by $15 million annually, an amount consistent with the ongoing costs for the community youth grants. Since implementation of Brighter Futures would not begin until January 1, 2001, only six months of funding would be required in this biennium, or $7.5 million in 2000-01. In adopting this alternative, the Committee would decrease TANF funds budgeted in the 1999-01 biennium by $12.5 million, but TANF funds for Brighter Futures in the following biennium would be increased by $7.5 million in order fund the remaining six months of annual funding for 2001.

27. Under such an alternative, the Committee could require DHFS and DWD to develop a plan for distribution of the funding on a statewide basis and submit the plan to the Committee by June 1, 2000. In particular, it could be specified that the plan must address: (a) the formula to be used for distributing the funds to ensure that each county receives a sufficient minimum level of funding; (b) the performance measures against which the counties would be held accountable; (c) evaluation criteria; and (d) how DHFS and DWD would coordinate to ensure that reporting requirements for the use of TANF funds are met. The Committee could specify that no funding for Brighter Futures could be distributed until the Committee approves the plan submitted by DHFS and DWD under a 14-day passive review process.

ALTERNATIVES

A. DWD Community Youth Grants

1. Approve the Governor's recommendation to provide $5,000,000 FED in 1999-00 and $15,000,000 FED in 2000-01 in DWD for a competitive grant program to fund programs that improve social, academic and employment skills of youth who are eligible to receive funding under the TANF program. Specify that the Safe and Sound initiative in the City of Milwaukee and Wisconsin Good Samaritan Project, Inc. must receive funding allocated under the community youth grants without participating in a competitive process.

2. Modify the Governor's recommendation by requiring DWD to provide $1,000,000 in 1999-00 and $1,500,000 in 2000-01 (or different amounts) from funding allocated for the community youth grants to the Safe and Sound initiative in the City of Milwaukee and specify that the Safe and Sound initiative would not have to compete for these funding amounts. Further, require DWD to provide $250,000 annually (or a different amount) to the Wisconsin Good Samaritan project from funding allocated for the community youth grants and specify that the Wisconsin Good Samaritan project would not have to compete for these funding amounts.

3. Modify the bill to delete provisions that require DWD to provide funding under the community youth grants to the Safe and Sound Initiative and the Wisconsin Good Samaritan project.

4. Modify the Governor's recommendation by reducing the amount of funding for the

community youth grants (by any amount).

5. Modify the Governor's recommendation by placing the funding amounts in the Committee's program supplements appropriation to be released under a 14-day passive review approval process after a more detailed plan regarding the use of these funds is submitted by DWD.

6. Maintain current law.

Alternative A6	FED
1999-01 FUNDING (Change to Bill)	- $20,000,000

B. DHFS Brighter Futures Initiative

1. Modify the Governor's recommendations regarding DHFS adolescent prevention programs and creation of the Brighter Futures initiative to combine the statutory provisions regarding the Brighter Futures allocations to reflect only one funding allocations for youth violence, substance use and abuse, child abuse and neglect, nonmarital pregnancy prevention and adolescent self-sufficiency.

2. Modify the Governor's recommendations, as requested by DHFS to: (a) increase the statutory allocation to Milwaukee County by $105,100 and reduce the allocation to non-Milwaukee counties by a corresponding amount; and (b) decrease the statutory allocations for Brighter Futures by $200,000 for non-Milwaukee counties to reflect that funding for the high-risk youth inner-city projects would not be included in the Brighter Futures initiative and maintain funding for the projects in its current appropriation. Further, combine the statutory provisions regarding the Brighter Futures allocations to reflect only one funding allocations for youth violence, substance use and abuse, child abuse and neglect, nonmarital pregnancy prevention and adolescent self-sufficiency.

3. Delete all of the Governor's statutory provisions regarding Brighter Futures, but retain provisions which would substitute GPR funds budgeted for adolescent pregnancy prevention, self-sufficiency and CHOICES projects with TANF funds.

C. Combine Community Youth Grants and Brighter Futures

1. Instead of adopting any alternatives under A or B, modify the Governor's recommendations by deleting $5.0 million FED in 1999-00 and $10.0 million FED in 2000-01 and provide $5.0 million PR in DHFS to reflect $5.0 million in federal TANF funds that would be transferred from DWD to DHFS to be used to fund supplemental funding for the Brighter Futures initiative. Delete provisions in the bill regarding community youth grants and, instead, require DHFS and DWD to submit a plan to the Joint Committee on Finance by June 1, 2000 that addresses: (a) the formula to be used for distributing supplemental funds under Brighter Futures in order to ensure that each county receives a sufficient minimum level of funding; (b) the performance measures against which the counties would be held accountable; (c) evaluation criteria;

and (d) how DHFS and DWD would coordinate to ensure that reporting requirements for the use of TANF funds are met. Specify that no funding for Brighter Futures could be distributed until the Committee approves the plan submitted by DHFS and DWD under a 14-day passive approval process.

Alternative C1	FED	PR	TOTAL
1999-01 FUNDING (Change to Bill)	- $15,000,000	$5,000,000	- $10,000,000

2. Instead of adopting any alternatives under A or B, modify the Governor's recommendations to delete $5.0 million FED in 1999-00 and $7.5 million FED in 2000-01 and provide $7.5 million PR in DHFS to reflect $7.5 million in federal TANF funds that would be transferred from DWD to DHFS to be used to fund supplemental funding for the Brighter Futures initiative. Delete provisions in the bill regarding community youth grants and, instead, require DHFS and DWD to submit a plan to the Joint Committee on Finance by June 1, 2000 that addresses: (a) the formula to be used for distributing supplemental funds under Brighter Futures in order to ensure that each county receives a sufficient minimum level of funding; (b) the performance measures against which the counties would be held accountable; (c) evaluation criteria; and (d) how DHFS and DWD would coordinate to ensure that reporting requirements for the use of TANF funds are met. Specify that no funding for Brighter Futures could be distributed until the Committee approves the plan submitted by DHFS and DWD under a 14-day passive approval process.

Alternative C2	FED	PR	TOTAL
1999-01 FUNDING (Change to Bill)	- $12,500,000	$7,500,000	- $5,000,000

D. Role of Tribes in Brighter Futures

1. Specify that the tribes would not be subject to a competitive process in order to receive the statutory allocation under Brighter Futures, as requested by DHFS.

2. Specify that tribes would continue to receive a total of $180,000 ($7,500 GPR and $172,500 PR (TANF)) annually for adolescent pregnancy prevention and self-sufficiency programs, but that the tribes would not be subject to the requirements of Brighter Futures.

Prepared by: Rachel Carabell and Joanne Simpson
Attachment

ATTACHMENT

Current DHFS Adolescent Prevention Programs

Adolescent Pregnancy Prevention Services. DHFS provides grants totaling $340,000 annually to public or private agencies or tribes to provide pregnancy and parenthood prevention services to high-risk adolescents. Services would be provided to increase adolescent's decision-making and communications skills, promote high school graduation and expand career and other options. For the portion provided to counties, DHFS is required to provide funding to counties based on a ranking of each county's need. Agencies in Milwaukee, Kenosha, Racine, Rock and Sawyer counties and the tribes receive grants under this program.

Adolescent Self-Sufficiency Services. DHFS provides grants totaling $582,100 annually to public or private agencies or tribes to provide services to adolescent parents that emphasize high graduation and vocational preparation, training and experience and maybe used to strengthen the adolescent parents' capacity to fulfill parenting responsibilities. For the portion provided to counties, DHFS is required to provide funding to counties based on a ranking of each county's need. Agencies in Milwaukee, Kenosha, Racine, Rock and Sawyer counties and the tribes receive grants under this program

Adolescent Services. DHFS provides a total of $350,000 annually for the following purposes: (a) $250,000 annually for an adolescent resource center in an area of high-need to provide educational tutoring, counseling, recreational programming, health care and direct service or referral for physical and mental health screening, assessment and treatment, employment skills training, job intake and placement support, family social services, substance abuse programming and cultural enrichment activities; and (b) $100,000 annually to two organizations in Milwaukee County for services related to the development of adolescent parenting skills for minorities.

Adolescent CHOICES projects. DHFS provides $210,000 annually to applying organizations on a regional or tribal project basis, for the provision of information and activities for adolescents, particularly female adolescents, in order to enable adolescents to develop certain skills in order to: (a) reduce adolescent pregnancy and high school dropout rates; (b) increasing economic self-sufficiency and expanding career options for adolescents, particularly options with respect to occupations with wages higher than minimum wage; (c) enhancing individual adolescent self-esteem, interpersonal skills and responsible decision-making; and (d) neutralizing sex-role stereotyping and bias.

Community Alcohol and Other Drug Abuse Prevention. DHFS provides $500,000 annually for grants to implement and coordinate substance abuse programs and services relating to primary prevention. Primary prevention promotes health by providing individuals with the resources that are necessary to confront complex, stressful life conditions. Counties are required

to provide a 9.89% match to these funds. Six counties currently receive funding under this program (Columbia, Menominee, Milwaukee, Sawyer, Vernon and Washington).

Neighborhood Drug Use and Violence Prevention. DHFS provides $1.2 million to fund programs to increase the awareness of problems caused by drugs and to limit violence and abuse of controlled substances in neighborhoods. DHFS is required to allocate grant funds on the basis of the proportion of drug-related arrests in the applying community to the statewide total number of drug-related arrests. The following counties and cities currently receive grants under this program: Eau Claire, Kenosha, LaCrosse, Outagamie, Racine and Rock Counties; the cities of Beloit, Green Bay and Madison; and police departments in the cities of Waukesha, West Allis, Greenfield and Oak Creek.

Drug Prevention for High School Athletes. DHFS provides $30,000 annually to the Career Youth Development Center in Milwaukee County to provide a substance abuse prevention program for high school athletes in the Milwaukee Public School system. The program provides education and referral services to youth and their families.

Pregnancy Counseling Services. DHFS provides $197,400 annually from the appropriation for pregnancy counseling services to supplement services provided under the adolescent pregnancy prevention services grant program described above.

High-Risk Youth Inner-City Projects. DHFS provides a total of $428,600 to councils in four counties (Rock, Racine, Kenosha and Dane counties) for community-based education, prevention and treatment programs targeted to youth who are at high-risk for substance abuse. Of the amounts awarded, $200,000 is provided from the SAPT block grant. The remainder of the funding ($228,600) is provided from the Safe and Drug Free Schools and Communities Act. The Governor's recommendations regarding Brighter Futures only applies to the $200,000 from the SAPT block grant.

Community Substance Abuse Education. DHFS provides $125,000 to develop and prevent substance abuse prevention and education programs in a variety of community-based settings and through media outlets primarily targeted to Milwaukee's African-American community.

Gov Agency: DWD(Economic Support & Child Care) Literacy Initiative

Recommendations:

Paper No. 1104 **Alternative:** A2, B3a,c,d,ef,g,h, C6

Comments:

A2 Additional Staff in DWD

Deletes position recommended by Governor and authorizes DWD to reallocate a vacant position from within the Division of Economic Support to perform functions related to the literacy initiative given the 33 vacant positions within DWD.

B3a,c,d,e,f,g,h - Grants to W-2 Agencies

These alternatives clarify the focus of the Governor's proposal to support literacy improvement programs at the local level.

****expands the program to "family" literacy services, rather than focusing primarily on adult literacy **(a)**

**** requires DWD to coordinate this initiative with other state efforts in the area of literacy services to avoid duplication of effort **(c)**

****requires the development of criteria to evaluate proposals & allocate funding**(d)**

****requires the development of outcome measures for evaluating performance of grantees **(e)**

****specifies that grants must be provided to both urban and rural communities **(f)**

****requires grants to be provided directly to existing literacy providers, rather than to W-2 agencies since not all TANF-eligible families would be associated with a W-2 agency **(g)**

***If JFC opts to provide grants directly to existing literacy providers under (g), specify that the grant process must be similar to other literacy grants to ensure that the grant process is efficient and not overly burdensome for grantees. **(h)**

C6 Funding of Literacy Aids and Literacy Advocate in Governor's Office

If JFC does not provide funding to support grants to W-2 agencies (i.e. if JFC approves alternative B3g), delete funding for the literacy advocate in Governor's office because there would be no reason for the literacy advocate in the Governor's office to review and evaluate W-2 agency grant proposals.

In addition, this alternative provides and additional $25,000 GPR for literacy improvement aids to libraries.

Prepared by: Deb

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June 1, 1999 | Joint Committee on Finance | Paper #1104

TANF

Literacy Initiative (Governor and DWD -- Economic Support and Child Care)

[LFB 1999-01 Budget Summary: Page 250, #3 and Pages 698 and 701, # 46 and #52]

CURRENT LAW

Under current law, the Governor may provide a grant to any local governmental unit or nonprofit organization for support of a literacy improvement program. Currently, base level funding of $28,000 GPR annually is available to fund these grant activities. In addition, the Governor's Office is currently authorized 1.0 GPR unclassified position to function as a literacy advocate. Base level funding for the literacy advocate position is $83,300 GPR annually ($67,000 for salary and fringe benefits and $16,300 for support costs).

GOVERNOR

Provide $2,150,000 FED in federal temporary assistance to needy families (TANF) funds and 1.0 FED position annually in the Department of Workforce Development (DWD) for a statewide literacy program. Of this amount: (a) $45,900 FED annually would be provided for 1.0 FTE program and planning analyst 5 in DWD; (b) $25,000 FED would be transferred to the Governor's Office to fund (as program revenues) 30% of the existing costs of the literacy advocate position; and (c) $25,000 FED would be transferred (as program revenues) to the Governor's Office as supplies and services funding to support additional literacy grants to libraries. The administration indicates that the remaining funds, $2,054,100 FED annually, would be used for grants for literacy services.

DISCUSSION POINTS

1. Although not specified in the bill, the administration indicates that the additional position in DWD would work with the literacy advocate in the Governor's Office to administer the

literacy initiative. The staff person in DWD would also provide coordination between job centers, private industry councils, libraries and the Department of Public Instruction (DPI).

2. The administration also indicates that the grant funding would be provided to W-2 agencies which would submit proposals to be evaluated by DWD and the Governor's literacy advocate. Upon approval of the proposals, the agencies would be encouraged to subcontract with local literacy organizations, which would train financial employment planners (FEPs) in the W-2 agencies to identify participants who would benefit from literacy services in reading, writing and math. Literacy providers would make an initial assessment of the learner to determine the specific services that the individual would receive. Families who are eligible for TANF funding would be referred by the W-2 agencies to literacy providers to receive services. According to the Governor's Office, the literacy initiative would focus primarily on the adult populations. These provisions are also not specified in the bill.

3. The administration indicates that the $25,000 TANF funding for supplies and services to the Governor's Office would be intended to be used to make literacy grants to libraries. Libraries that receive grants would be expected to purchase books and other materials for use by child care providers who serve TANF-eligible families. These provisions are not specified in the bill.

4. Use of TANF for the provision of literacy services for eligible families would be allowable under federal law and regulations.

Additional Staff in DWD

5. According to information from the Department, the additional position in DWD would promote literacy efforts, consult with W-2 agencies regarding best practices, and produce a model programs publication by the end of the biennium.

6. Currently, there are 13 Literacy Volunteer of America affiliates throughout Wisconsin which, as part of improving literacy services, produce publications regarding model programs and practices for providing family literacy. In addition, national organizations such as the National Center for Family Literacy provide information regarding literacy initiatives throughout the United States. Staff from the Wisconsin Technical College System (WTCS) Board are involved in developing state performance quality indicators related to the provision of literacy services. Finally, staff from DPI, the state WTCS Board and the literacy advocate in the Governor's Office all work to coordinate literacy services in Wisconsin. An additional staff person in DWD would duplicate efforts by these agencies and organizations.

7. The DWD staff person, however, would also work with the literacy advocate in the Governor's office to evaluate grant proposals and ensure compliance with federal data reporting.

8. Based on a review of vacant positions within DWD's Division of Economic Support as of March 27, 1999, there are a total of 48 positions that have been vacant for seven months or longer and, of these, 10 have been vacant for 13 months or more. In addition, the classification title

for 11 of these positions is program and planning analyst 5. Two of the program and planning analyst 5 positions have been vacant for 17 months or more.

9. At the Joint Committee on Finance's meeting on April 22, 1999, 15 positions related to child support that were recommended by the Governor in the budget bill were deleted. Instead, the Committee authorized the Department to reallocate vacant positions. Therefore, of the 48 positions identified above, 33 would remain vacant after reallocating positions for the child support program.

10. Because a number of vacant positions would remain outstanding, the Committee may wish to delete the position recommended by the Governor for the literacy initiative and authorize the Department to reallocate one of the remaining vacant positions in the Division of Economic Support for this duty.

Grants to W-2 Agencies

11. According to information provided by DWD, as of October 1998, 54% of all participants in the W-2 program did not have a high school degree. Moreover, 4% had only completed up to an 8th grade education. The Governor's proposal could help improve the literacy skills of current participants and other eligible families.

12. A number of programs in state agencies outside of DWD currently support literacy. Under federal law provisions, Head Start agencies are required to provide opportunities for children and families to participate in family literacy services. The Department of Public Instruction administers grants under the federal Even Start program, and state statutes specify that the WTCS Board must provide incentive grants for adult literacy. Finally, as mentioned above, the Governor's office employs a literacy advocate and provides grants to libraries with the purpose of promoting literacy.

13. In addition, W-2 agencies are required to ensure that educational and training services are provided to W-2 participants with funding currently budgeted in the W-2 agency contract. Under the current request for proposals (RFP) for the next W-2 agency contracts (which will run from January 1, 2000, to December 31, 2001), W-2 agencies are required, as a condition of receiving a contract, to submit information regarding how the agency will foster effective partnerships with technical colleges, the UW-Extension, volunteer literacy providers and other training providers who deliver adult basic education, literacy and English-as-a-Second Language (ESL) tutoring. In addition, one of the performance criteria specified in the RFP that would be used to determine an agency's profit under the next W-2 contract is the extent to which the agency provides basic educational activities, which includes high school or its equivalent, ESL and literacy.

14. Furthermore, it could be argued that it is currently the responsibility of DWD to ensure that FEPs are trained appropriately, and it is the FEP's responsibility to assist participants in preparing for unsubsidized employment. The FEPs must identify and support the education and training needs and goals of all W-2 participants. Therefore, as part of identifying the educational

needs of participants, the FEP should be trained to identify the literacy needs of participants.

15. Because literacy services are already being provided by various state agencies and because the W-2 agencies should already be providing education and training to W-2 participants, the Committee may wish to delete the funding recommended by the Governor.

16. However, providing additional funding for literacy services may have some positive outcomes. In particular, if the Governor's proposal was expanded to family literacy services, rather than focusing primarily on adult literacy, both the adults and the children in the family could receive services. Federal law defines family literacy as including: interactive literacy activities between parents and children; training for parents regarding how to be the primary teacher for their children and full partners in the education of their children; parent literacy training that leads to economic self-sufficiency; and education to prepare children for success in school and life experiences. National studies have shown that adults with strong literacy skills are better prepared for work and more likely to retain jobs. According to studies by the National Center for Family Literacy and other sources, children involved in family literacy programs consistently test above their grade level on standardized tests and have higher school attendance rates. Due to the positive impact on children involved in these families, the Committee may wish to specify that literacy services should focus on the entire family.

17. In addition to clarifying the focus of this initiative, the Committee may wish to provide additional guidance in the statutes regarding the administration of the program. As noted, the bill contains few provisions in this area.

18. First, the Committee could require DWD to coordinate this initiative with other state efforts in the area of literacy services. As described earlier, DPI and the WTCS Board are currently administering grants that provide funding to organizations for literacy programs. Therefore, in order to avoid duplication of effort, DWD could be required to work with staff from the Governor's Office, DPI and the WTCS Board in administering this initiative.

19. Second, DWD along with the other agencies could be required to identify criteria to be used to evaluate proposals and allocate funding to programs. No criteria are included in the bill, nor is it clear how funding would be allocated throughout the state. To ensure that funding is allocated statewide, the Committee may wish to specify that grants would have to be provided to both urban and rural communities.

20. Third, DWD along with the other agencies could be required to develop outcome measures for evaluating the performance of grantees. No provisions regarding the performance outcomes of the literacy initiative are specified in the bill. Without a focus on outcomes, participants may simply be referred to adult education services, an activity that the W-2 agencies would already be required to perform. Outcome measures would ensure that W-2 agencies are performing services above what is already required of them in the W-2 agency contract.

21. Finally, as described earlier, funding in the Governor's proposal would be used to

provide literacy services to TANF-eligible populations by providing grants to W-2 agencies. However, not all TANF-eligible families would be associated with a W-2 agency. Further, the administration has indicated that preference in providing a grant would be given to W-2 agencies that contract with local literacy providers, and TANF-eligible families would be referred to such providers. Therefore, as an alternative, it could be specified that DWD would have to provide grants directly to existing literacy providers throughout the state, rather than through the W-2 agencies. The literacy providers could be required to coordinate with the local W-2 agency to ensure that services are provided to W-2 participants when needed.

22. If the Committee chose an option to provide grants directly to existing literacy providers throughout the state, the Committee may also wish to specify that the grant process be similar to other literacy grants, such as those provided by the WTCS Board or through the Even Start program. This would ensure that the grant process is efficient and not overly burdensome for grantees.

Funding Provided to the Office of the Governor

23. The Governor has proposed converting $25,000 annually and 0.3 FTE of base level position authority for the Office's literacy advocate from GPR to PR funding. This funding would derive from TANF block grants through a cooperative agreement with DWD. These monies are included in a new PR-funded, annual assistance from state agencies appropriation under the Office of the Governor. Under the Governor's recommendation, this appropriation is intended to allow the Governor's Office to receive monies from other state agencies and then to hire additional staff for special projects. However, the 30% of current literacy advocates position costs would be budgeted in this appropriation also. Under this proposed change, it is anticipated that the literacy advocate would spend up to 30% of her time working with DWD staff to review and approve literacy improvement grants to W-2 agencies. It is also anticipated that the literacy advocate position would devote some time to reviewing grant proposals from libraries to target collections of children's books to the children of W-2 recipients.

24. An additional $25,000 PR annually from TANF funds would be credited to this same appropriation to provide literacy grants to libraries. Expenditures from this appropriation are for the purpose of state operations, that is, direct payments by state agencies to carry out state programs for such expenses as employe salaries, supplies, contractual services and permanent property. In contrast, the current law GPR-funded literacy grant appropriation is established for the purpose of providing payments of aids to individuals or private organizations. As currently proposed, the new PR-funded appropriation under the Office of the Governor would be inconsistent with the normal structure of state appropriations because it would be for mixed purposes, supporting both state operations expenditures and functioning as an aids to individuals and organizations appropriation.

25. If the Committee chooses to utilize a portion of the TANF block grants to support literacy grants to libraries for literacy services targeted to the children of W-2 participants, it would be more appropriate to establish a separate PR-funded grants to libraries for literacy services

appropriation as an aids appropriation and shift $25,000 PR annually from the Office's assistance from state agencies appropriation to this new grants to libraries for literacy services appropriation and reference this new appropriation under DWD's federal block grant operations appropriation.

26. Alternatively, if the Committee chooses not to provide TANF funding to support grants to W-2 agencies, it could be argued that the Committee should: (a) deny providing additional TANF funding to support literacy services grants to libraries; and (b) because there would be no reason then for the literacy advocate in the Governor's Office to review and evaluate W-2 agency grant proposals with DWD staff deny converting 30% of the literacy advocate position authority and associated funding from GPR to PR. In this event, the Committee could delete the Governor's recommendation.

27. Under this alternative, $50,000 PR annually and 0.3 PR position would be deleted under the Office of the Governor, and $25,000 GPR and 0.3 GPR position annually would be restored to maintain the literacy advocate position at 100% GPR funding.

28. If the Committee, however, views an increase in the level of funding for literacy improvement aids appropriation to aid libraries as desirable, it could instead provide increased funding of $25,000 GPR annually for that purpose.

ALTERNATIVES

1. Approve the Governor's recommendation to provide $2,150,000 FED annually for a literacy initiative. Of this amount, $45,900 would be provided for 1.0 FTE program and planning analyst 5 in DWD, $25,000 would be provided annually to fund 30% of the existing literacy advocate in the Governor's Office and $25,000 would be provided to the Governor's office for grants to libraries. The remaining funding of $2,054,100 would be provided as grants to W-2 agencies.

A. Additional Staff in DWD

2. Delete the position recommended by the Governor, and authorize DWD to reallocate a vacant position from within the Division of Economic Support to perform functions related to the literacy initiative. Reduce funding by $45,900 FED annually from the amounts provided in the bill.

Alternative 2	FED
1999-01 FUNDING (Change to Bill)	- $91,800
2000-01 POSITIONS (Change to Bill)	- 1.00

B. Grants to W-2 Agencies

3. Modify the Governor's proposal regarding literacy grants by adopting one or more of the following provisions:

a. Specify that funding under the literacy initiative must be used for projects that focus on family literacy.

b. Specify that the Wisconsin Technical College System board, rather than DWD, would have primary responsibility for administration of the literacy initiative grants. Transfer funding for the grants from DWD to the WTCS board.

c. Specify that the new literacy grant program would have to be coordinated with literacy programs in WTCS, the Governor's office and DPI.

d. Specify that DWD or WTCS (along with staff from other agencies as described above) would be required to develop criteria to be used to evaluate proposals and allocate funding.

e. Specify that DWD or WTCS (along with staff from other agencies as described above) would have to develop criteria to be used to evaluate the performance of grantees.

f. Specify that grants must be provided to both urban and rural areas.

g. Require grants to be provided directly to existing literacy providers. Under this alternative, no grants would be provided to W-2 agencies. However, the literacy providers would be required to work with the local W-2 agency to ensure that services are provided to W-2 participants as needed.

h. Require that the grant process be similar to other literacy grants such as those provided by the WTCS Board or through the Department of Public Instruction.

4. Maintain current law.

Alternative 4	FED
1999-01 FUNDING (Change to Bill)	- $4,300,000
2000-01 POSITIONS (Change to Bill)	- 1.00

C. Funding of Literacy Aids and Literacy Advocate in Governor's Office

5. Modify the Governor's recommendation by: (a) establishing a separate PR-funded grants to libraries for literacy services appropriation; (b) shifting $25,000 PR annually from the Office's assistance from state agencies appropriation to this new grants to libraries for literacy services appropriation; and (c) referencing this new appropriation under DWD's federal block grant operations appropriation.

6. Delete the Governor's recommendation but provide an additional $25,000 GPR annually for the existing literacy improvement aids appropriation to be used for grants to libraries.

Alternative 6	GPR	PR	FED	TOTAL
1999-01 FUNDING (Change to Bill)	$100,000	- $100,000	- $100,000	- $100,000
2000-01 POSITIONS (Change to Bill)	0.30	- 0.30	0.00	0.00

7. Maintain current law.

Alternative 7	GPR	PR	FED	TOTAL
1999-01 FUNDING (Change to Bill)	$50,000	- $100,000	- $100,000	- $150,000
2000-01 POSITIONS (Change to Bill)	0.30	- 0.30	0.00	0.00

Prepared by: Joanne Simpson and Tony Mason

Gov Agency: DWD (Economic Support & Child Care)
DHFS (Supportive Living)
AODA Initiative & Substance Abuse Treatment for Women

Recommendations:

Paper No. 1105 **Alternative:** C1, D1, E1, F2

Comments:

C1 Combined Program

Because the types of services provided and the likely service providers could be the same for both programs and a large portion of the population that would be served under both programs would be the same, it makes sense to create one grant program, rather than two separate, but similar programs. By combining funding from the two federal block grants (TANF and SAPT), one program could achieve efficiencies that would not be achieved under two separate grant programs. TANF funds could be used to support certain TANF-eligible services provided to TANF-eligible families. SAPT funds could be used to fund services to non-TANF eligible women or treatment services that may not be allowable under TANF regulation.

D1 W-2 Agency Contract Provision

Modifies the statutes to require W-2 agencies to screen participants for substance abuse problems and provide outpatient treatment for participants in need. The Governor's proposal merely encourages W-2 agencies to provide screening for individuals with substance abuse problems.

E1 Income Eligibility for TANF-Supported Grant Programs

Specifies that AODA programs supported by TANF serve only families with incomes at or below 200% of the federal poverty level. The Governor's proposal is not this specific. 200% is the standard level for TANF funded programs.

F2 Faith Works

Deletes the $$$ set aside for Faith Works. Under this option, Faith Works would have to compete for the funding along with other interested programs.

Existing treatment programs for substance abuse do not advertise themselves as faith based, yet there is a very strong spirituality component built into the treatment plans that are developed by the clients themselves. Many Wisconsin agencies already provide the same services as Faith Works.

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June 1, 1999 | Joint Committee on Finance | Paper #1105

TANF

Alcohol and Other Drug Abuse Initiative and Substance Abuse Treatment for Women (DWD -- Economic Support and Child Care and DHFS -- Supportive Living)

[LFB 1999-01 Budget Summary: Page 326, #3, Page 694, #32 and Page 698, #47]

CURRENT LAW

Workforce Development. An individual may be placed in a Wisconsin Works (W-2) transitional placement employment position if the individual meets the eligibility requirements and the W-2 agency determines that the individual: (a) has been incapacitated or will be incapacitated for at least 60 days; (b) is needed in the home because of the illness or incapacity of another member of the W-2 group; or (c) is incapable of performing a trial job or community service job. The W-2 agency may require the individual to participate in an alcohol or other drug abuse (AODA) evaluation, assessment and treatment program as part of the required activities for the W-2 transitional placement employment position.

Health and Family Services. The Department of Health and Family Services (DHFS) is the administrator of the state's federal substance abuse prevention and treatment (SAPT) block grant allocation. In 1998-99, the state's allocation is $24,245,300. At least 10% of the block grant must be available for substance abuse treatment services for pregnant women and women with dependent children.

Of the amount available from the SAPT block grant in 1998-99: (a) $11,318,700 is distributed to counties through the substance abuse allocation under community aids; (b) $9,111,200 is provided to counties, tribes or other organizations for community-based substance abuse programs; (c) $1,649,200 is transferred to the Department of Corrections to provide substance abuse services to persons in the criminal justice system; (d) $74,000 is used to restrict minors' access to tobacco products; (e) $149,000 is allocated for programs to prevent human immunodeficiency virus (HIV) infection; and (f) $1,060,500 is provided for DHFS state operations costs. In addition, $882,600 of federal SAPT block grant funds available in 1998-99 have not been allocated. DHFS has yet to determine how to allocate these funds.

Of the amounts provided for community-based programs, $1,340,000 FED is used for treatment programs targeted towards women. The following women's treatment programs are funded with SAPT block grant funds administered by DHFS.

- In Milwaukee County, the Milwaukee Women's Center, SAFE Group Services and the United Community Center provide a multi-disciplinary prevention and treatment team for cocaine-abusing women and their children ($800,000).

- In Milwaukee County, Meta House provides specialized services and treatment for pregnant women and mothers with children up to age five ($305,000). In addition, Meta House receives $750,000 FED annually under a three-year federal project grant to increase capacity for emerging substance abuse treatment needs in Milwaukee.

- In Dane County, ARC Community Services operates a Center for Women and Children which provides substance abuse day treatment for women, parenting services and onsite child care for the children of women receiving treatment ($235,000). In addition, $175,000 GPR is provided annually to ARC for similar services.

GOVERNOR

Workforce Development

AODA Treatment Grant Program. Provide the Department of Workforce Development (DWD) $1.0 million FED annually to fund a new grant program for community-based AODA treatment programs. Require DWD to award grants to counties, tribal governing bodies and private entities to provide community-based substance abuse treatment programs that meet the special needs of low-income persons with problems resulting from substance abuse and that emphasize parent education, vocational and housing assistance and coordination with other community programs and with treatment under intensive care. Require DWD to award the grants in accordance with its request-for-proposals procedures, ensure that the grants are distributed to both urban and rural communities and evaluate the programs under the grants by use of client-outcome measures developed by DWD. Require DWD to coordinate this program with any similar grant program administered by DHFS.

Faith Works. Provide $25,000 FED in 1999-00 for Faith Works, a faith-based demonstration project in Milwaukee that would provide drug rehabilitation, job training and private sector employment to low-income males who are non-custodial parents.

The source of federal funding for these programs would be the temporary assistance to needy families (TANF) block grant.

Health and Family Services

Substance Abuse Treatment Grant Program. Provide DHFS $1,167,900 FED annually from the SAPT block grant to support a new grant program to provide substance abuse treatment for women. Authorize DHFS to award up to this amount annually as grants to counties and private entities to provide community-based substance abuse treatment programs that: (a) meet the special needs of women with problems resulting for substance abuse; and (b) emphasize parent education, vocational and housing assistance and coordination with other community programs and with treatment under intensive care. Require DHFS to: (a) award grants in accordance with DHFS request-for-proposals procedure; (b) ensure that the grants are distributed in both urban and rural communities; and (c) evaluate the programs funded by the grants by use of client-outcome measurements developed by DHFS.

DISCUSSION POINTS

Use of TANF Funds for DWD Grants

1. For budgeting purposes, the Governor's proposal for an AODA initiative in DWD would result in an increase in the use of federal TANF funding. However, the administration has indicated that funding would be provided from state dollars that are counted toward the maintenance of effort (MOE) requirement for the TANF program. Under federal law, these types of expenditures would be allowable uses of TANF funding, or could count toward the MOE requirement.

2. One difference in the funding source is that TANF funding may not be used for medical services, but state dollars that count toward the MOE requirement may be used for such services. In using state dollars that count toward the MOE requirement, the state may provide the following services: adult day care; supportive home care; specialized transportation and escort; crisis intervention; counseling; therapeutic resources; intake assessment; case management and service coordination; advocacy and defense resources; health screening and accessibility; medical day treatment; detoxification in a social setting; and non-medical day center services. These services were identified in the state's former plan under the aid to families with dependent children and job opportunities and basic skills programs.

3. Furthermore, services may only be provided to parents with minor children or to pregnant individuals. States may define families to include non-custodial parents, who then may receive services. However, the non-custodial parent must have a child whose custodial parent is eligible for TANF assistance. In addition, the family's income must be at or below the income or asset levels set by the state in the TANF plan submitted to the federal government. Therefore, the state may establish the level at which a family is considered needy. Some programs funded with TANF in Wisconsin allow families to receive assistance if the family's income is at or below 200% of the federal poverty level ($27,760 annually for a family of three). This income limit could be higher, however, the state must be able to justify that the income limit chosen is a low-income

standard. The Governor's proposal specifies that services would be provided to TANF-eligible families. The Committee may wish to specify the income eligibility requirements more explicitly in the statutes.

4. Providing additional funding for AODA services may allow communities to meet the demand for substance abuse services for low-income families, to move people off of welfare and to prevent individuals from entering the program. According to a recent report by the National Conference of State Legislatures, federal studies suggest that up to 35% of the welfare population nationwide is addicted to drugs or alcohol. In Wisconsin, as the caseload has fallen, only the most difficult to serve remain in the W-2 program. Caseworkers have indicated that these individuals often have several barriers to employment, including drug and alcohol addictions.

5. The Governor has convened a W-2 and substance abuse workgroup to more effectively address the substance abuse needs of W-2 participants by developing new processes and tools for identifying alcohol and drug issues, training case managers on substance identification, referring participants for appropriate treatment and explaining the consequences of not participating. The goals of the workgroup are to: (a) develop an up-front screening process and training for caseworkers; (b) measure the availability of treatment slots and develop strategies to increase the number where necessary; and (c) develop a guide which encourages providers to develop innovative outpatient treatment programs that combine treatment with work experience training and focus on the effective treatment of women, and which addresses recreational drug use. The task force is scheduled to complete its mission by December, 1999. The workgroup consists of members from treatment providers, community organizations, W-2 agencies, and representatives from the Departments of Corrections, Public Instruction and Health and Family Services. The workgroup is to be chaired by the Administrator of DWD's Division of Economic Support.

6. Although not specified in the bill, the request for proposals (RFP) to administer the W-2 program under the next W-2 agency contracts (January 1, 2000, through December 31, 2001), requires each prospective W-2 agency to describe the tools and strategies the agency would employ to screen for people with substance abuse problems, the case management services that would be provided to these families and how the agency would ensure that financial employment planners and other caseworkers are trained to work with participants who have multiple barriers to employment.

7. DWD currently does not have information regarding the number of applicants or participants in the W-2 program that may have an alcohol or drug dependency. In developing the contract allocations under the RFP, the Department projected costs on a per participant basis for various service activities provided by the W-2 agencies, including substance abuse treatment and testing. Based on the number of participants in subsidized employment positions in August, 1998, DWD assumed that all W-2 subsidized employment cases would receive substance abuse screening at the six-month review of their case, and that 40% of those screened in a year would receive an average of 21 weeks of substance abuse outpatient treatment services. It was also assumed that 75% of the treatment costs could be covered by medical assistance.

8. Under the Department's contract funding methodology, $7.8 million of the $428 million contract amount statewide would be provided for substance abuse services. Although the Governor's workgroup and the RFP would encourage W-2 agencies to provide screening for individuals who have substance abuse problems, there is currently no requirement that W-2 agencies provide such services. Therefore, the Committee may wish to modify the statutes to require W-2 agencies to screen participants for substance abuse problems and provide outpatient treatment for participants in need. Furthermore, the Committee could specify that caseworkers receive appropriate training, which is one of the goals of the Governor's workgroup.

9. As an additional consideration, it is unclear how the administration determined the amount of funding included in the bill for the AODA grants. Because W-2 agencies would be required under their contracts to provide screening and treatment for drug and alcohol dependency for W-2 recipients and funding would be provided under the contracts for these activities, the Committee may wish to reduce or eliminate the funding under DWD for the AODA grants.

10. However, the services provided under the DWD initiative are similar to the Governor's proposal for a new grant program in DHFS as discussed below. The Committee could also consider combining these proposals.

SAPT Block Grant Funds

11. While not all women in need of substance abuse treatment have dependent children, most programs that provide treatment to women offer child care while the woman is in treatment. Further, women's treatment programs often provide services that address domestic violence, sexual abuse and a woman's need to be self-sufficient in order to deal successfully with substance abuse issues. These issues are not typically addressed in traditional substance abuse treatment models.

12. On a statewide basis, the availability of treatment services targeted to women is limited. In urban areas, treatment services are available, but waiting lists are long because sufficient funding is not available. In other areas of the state, there are no waiting lists because there are no providers available to provide treatment targeted to women. The map attached to this paper identifies the women's substance abuse treatment providers across the state, as identified by the Wisconsin Women's Empowerment Network, a network that provides technical assistance to women's substance abuse treatment providers. DHFS staff indicate that the funding initiative in DHFS would be used to address gaps in the availability of treatment services for women statewide.

13. In federal fiscal year 1998-99, Wisconsin's SAPT block grant allocation was increased by five percent to $24,539,500. The Governor's budget would allocate most of that increase to support the new DHFS substance abuse grant program. Projects that receive grant funding would be awarded on a competitive basis and would be required to meet statutorily-established criteria. Based on the need for such services and the availability of this federal funding to support the program, the Committee could approve the Governor's recommendations.

14. However, the Committee could also consider alternative uses of these funds. First,

the Committee could use the additional block grant funds to increase by approximately 10% the substance abuse block grant allocation for community aids. However, it is possible that distributing these funds through community aids may not result in an actual expansion in access to substance abuse treatment services because of recent and anticipated future reductions in other federal funds that support community aids. The Governor's proposal would ensure that this funding would be used to increase, rather than supplant, funding for women's substance abuse treatment services. Further, DHFS could distribute funding for projects that offer services to women in multi-county areas. If this funding were allocated through community aids, each county would receive a small increase, but the amount each county received could be insignificant for many small counties.

On the other hand, it may be desirable to enable counties to use these funds to partially offset federal community aids funding reductions that they would otherwise experience. This approach would maximize county flexibility and ensure that each county received some additional funding for substance abuse services.

15. Second, the Committee could use these additional SAPT funds to increase support for substance abuse treatment in the correctional system. As of March, 1999, approximately 5,600 adult prisoners and 732 individuals on probation or parole were on waiting lists for substance abuse services. The Governor's budget bill would partially address this need by increasing funding for Corrections' substance abuse treatment services by $1.0 million annually. Since the Governor's recommendations would partially address the need for substance abuse treatment services in the correctional facilities, the Committee could use the additional SAPT block grant funds to expand treatment services available for non-Corrections populations.

Combined Grant Programs

16. Both the DWD and the DHFS programs have similar goals and would provide similar services to overlapping populations. Because a significant percent of low-income families with dependent children are headed by women, many of the individuals eligible for services under the DWD grant program are likely to be women. Further, while the DHFS grant program is not intended to target low-income women with dependent children, many women that could receive services under the DHFS grant program would have low income, and therefore would also be eligible for services under the DWD grant program.

17. Under both grant programs, funding would be awarded in accordance with each department's request-for-proposals procedures, grants would be distributed to both urban and rural communities and programs would be evaluated by client-outcome measures developed by each department. Furthermore, DWD would be required to coordinate its program with any similar grant program administered by DHFS.

18. Because the types of services provided and the likely service providers could be the same for both grant programs and a large portion of the population that would be served under both programs would be the same, the Committee could create one grant program administered by DHFS in coordination with DWD, rather than two separate, but similar programs. By combining funding

from the two federal block grants (TANF and SAPT), one program could achieve efficiencies that would not be achieved under two separate grant programs. TANF funds could be used to support certain TANF-eligible services provided to TANF-eligible families. SAPT funds could be used to fund services to non-TANF eligible women or treatment services that may not be allowable under federal TANF regulations.

19. Further, a single grant process would be more efficient at the state level and the local level for service providers that apply for grants because there would be less duplication of effort and paperwork. In addition, creating a single program would require coordination at the state level which could enhance coordination between the W-2 agencies and child welfare agencies at the local level, both of which serve large numbers of women with substance abuse treatment needs.

20. In creating a single program, the Committee could require the two agencies to develop a memorandum of understanding to address how the agencies would establish the criteria for evaluating proposals, selecting grant recipients, the performance measures included in contracts and the procedures for ensuring that funding is allocated to both rural and urban areas. While DHFS would be the lead administering agency, DWD would be responsible for ensuring the funds are used in accordance with federal law and regulations regarding the TANF program and that grant recipients meet federal TANF data reporting requirements.

21. On the other hand, if the Committee determines that it is desirable to create two separate substance abuse treatment programs, one for women and one for TANF-eligible adults (which may include custodial or noncustodial fathers), it could approve the Governor's recommendations. Under the bill, DWD would be required to coordinate with DHFS on any similar grant program and therefore, it is likely that DHFS and DWD would coordinate on these two grant programs. Further, DWD and DHFS could coordinate to minimize the duplication of effort on behalf of providers by developing a combined request-for-proposals so that providers could submit one application for both grant programs.

Faith Works

22. As noted earlier, the Governor's proposal would provide $25,000 in 1999-00 to Faith Works, a faith-based demonstration project in Milwaukee County that would provide drug rehabilitation, job training and private sector employment to low-income males who are non-custodial parents. Under the proposed AODA grant program in DWD, all grant recipients would be required to submit grant applications based on a competitive RFP. If the Committee chooses to adopt the Governor's recommendation to create the DWD grant program or create a combined grant program administered by DHFS, it could delete funding for this particular organization. Instead, Faith Works could compete for funding in a manner similar to all other grant applicants.

ALTERNATIVES

A. DWD AODA Grants

1. Approve the Governor's recommendation to provide $1.0 million FED annually to create an AODA grant program in DWD.

2. Maintain current law.

Alternative A2	FED
1999-01 FUNDING (Change to Bill)	- $2,000,000

B. DHFS Substance Abuse Grant Program

1. Approve the Governor's recommendation to provide $1,167,900 FED annually to create a substance abuse grant program in DHFS.

2. Delete provisions relating to the DHFS substance abuse treatment grant program for women. Instead, increase community aids funding by $1,167,900 FED annually and increase the statutory allocation for the substance abuse allocation under community aids accordingly.

3. Delete the provisions regarding a DHFS substance abuse treatment grant program for women and instead provide $1,167,900 FED annually in DHFS and provide a corresponding PR increase in the Department of Corrections and require DHFS to increase the amount of SAPT block grant funds transferred to Corrections for substance abuse treatment programs by a corresponding amount.

Alternative B3	PR
1999-01 FUNDING (Change to Bill)	$2,335,800

C. Combined Program

1. Instead of adopting alternatives under A or B, modify the Governor's recommendations to transfer $1,000,000 FED annually from DWD to DHFS to support a single substance abuse grant program and provide a corresponding PR increase in DHFS. Specify that the language included in the Governor's recommendations regarding the DHFS and DWD grant programs would be combined to reflect one grant program administered by DHFS. Require DHFS and DWD to develop a memorandum of understanding that specifies how the agencies would coordinate in establishing the criteria for evaluating proposals, the selection of grant

recipients, the performance measures to be included in any contracts, and the procedures for ensuring that funding is allocated to both rural and urban areas.

Alternative C1	PR
1999-01 FUNDING (Change to Bill)	$2,000,000

D. W-2 Agency Contract Provisions

1. Modify the Governor's proposal to specify that W-2 agencies would be required to: (a) screen W-2 participants for potential substance abuse addictions; (b) provide outpatient services to participants in need; and (c) ensure that caseworkers are properly trained in screening techniques and service referrals.

E. Income Eligibility for TANF-Supported Grant Programs

1. Specify that any AODA or substance abuse grant programs supported by TANF serve only families with income at or below 200% of the federal poverty level.

F. Faith Works

1. Approve the Governor's recommendation to provide $25,000 FED in 1999-00 to support Faith Works.

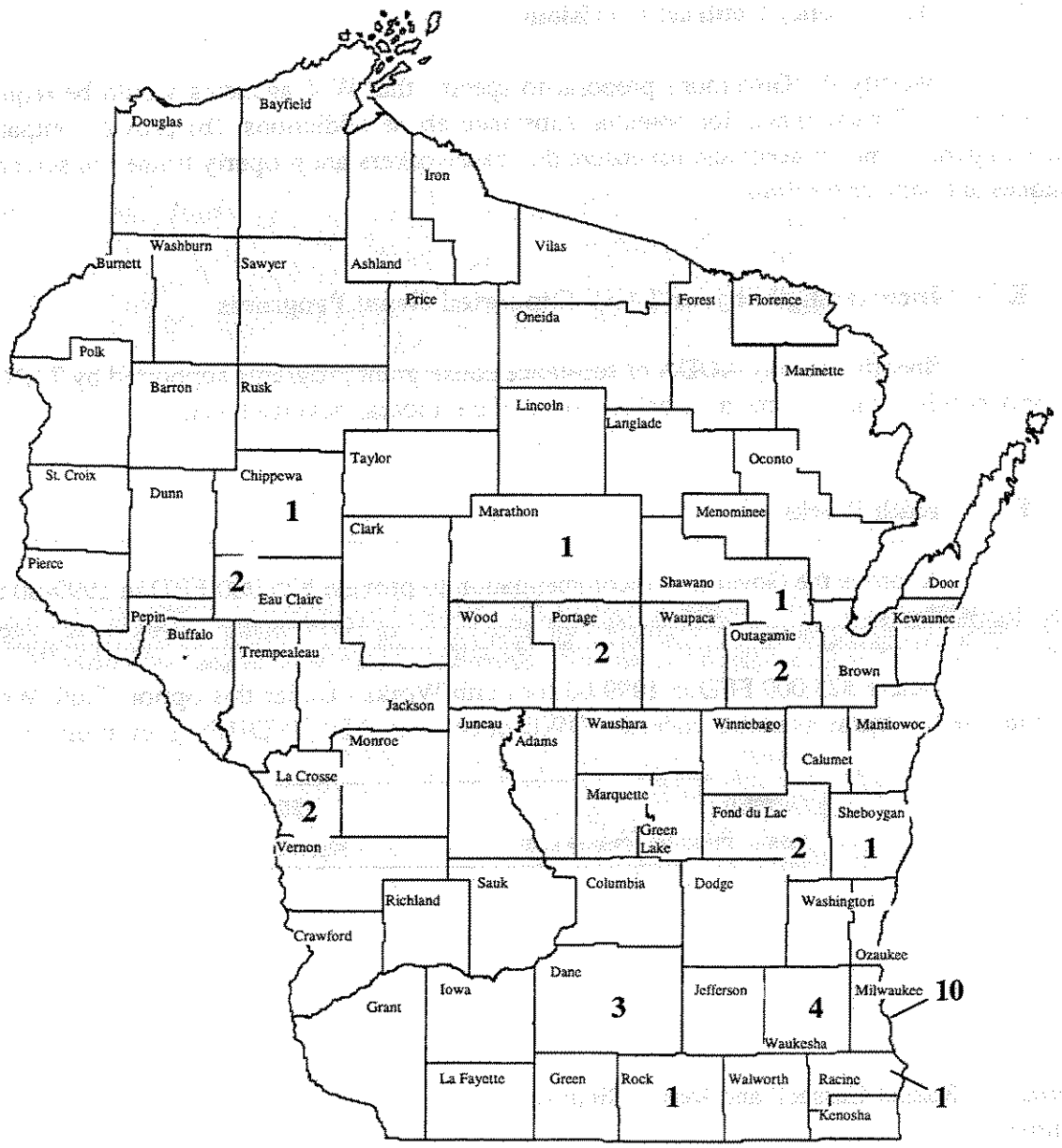
2. Delete $25,000 FED in 1999-00 for Faith Works. Under this option, Faith Works could compete for grants available under the DWD or combined DWD/DHFS grant programs.

Alternative F2	FED
1999-01 FUNDING (Change to Bill)	- $25,000

Prepared by: Rachel Carabell and Joanne Simpson
Attachment

ATTACHMENT

Availability of Women's Substance Abuse Treatment Providers



Gov Agency: DWD (Economic Support) Individual Development Accounts

Recommendations:

Paper No. 1106 **Alternative:** 3

Comments:

Maintains current law due to questions about the number of individuals that would participate in the program.

Individual development accounts are intended to enable low-income families to build assets through saving. While this is a laudable goal, the level of participation is questionable. We can use our TANF dollars more wisely.

Prepared by: Deb

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June 1, 1999 | Joint Committee on Finance | Paper #1106

TANF

Individual Development Accounts (DWD -- Economic Support and Child Care)

[LFB 1999-01 Budget Summary: Page 699, #48]

CURRENT LAW

No provision.

GOVERNOR

Provide $650,000 annually in federal funding under the temporary assistance to needy families (TANF) program for individual development accounts (IDAs). This provision would authorize the Department of Workforce Development (DWD) to implement a program to permit individuals to establish IDAs and to administer the program according to federal law P.L. 105-285. The Department would be authorized to contract with community action agencies to administer the program.

Under the bill, an individual would be eligible to establish an individual development account if he or she is at least 18 years old and a custodial parent of a minor child. In addition, the individual would have to meet the eligibility requirements under P.L. 105-285. Under these requirements, the individual must be TANF-eligible or have an adjusted gross income that does not exceed the income amounts that are used to calculate the federal earned income tax credit. For calendar year 1998, these amounts are $26,473 if the individual has one child and $30,095 if the individual has two or more children. These amounts are adjusted for inflation in each year. In addition, the value of the household's assets less any debt could not exceed $10,000, excluding the household's residence and motor vehicles up to a value of $10,000.

The Governor's recommendation would allow only the earned income of an individual to be deposited into the account. Earned income includes wages, salaries, professional fees and

other amounts received as compensation for services. The Department or the community action agency would be required to deposit at least 50 cents but not more than $4 into the account for every $1 that the individual deposits into the account.

As specified in P.L. 105-285, monies deposited into an IDA could be withdrawn only for: (a) emergencies for medical care, payments necessary to prevent eviction or foreclosure on a mortgage or necessary living expenses following the loss of employment; or (b) qualified expenses including post-secondary educational expenses, first-home purchase, business capitalization or transfers of the account to eligible family members.

The value of an individual development account would be excluded from being counted as an asset for purposes of determining eligibility for W-2 employment positions and job access loans. The individual would be required to participate in financial planning and economic education programs offered by the Department or community action agency.

DISCUSSION POINTS

1. Under federal law P.L. 105-285, additional federal funding was made available for the development and implementation of individual development accounts. The original legislation indicated that up to $1.0 million would be provided to projects for which acceptable proposals were submitted. However, regulations issued in March, 1999, indicated that the federal government would make funding available to 30 projects, with an average funding amount of $250,000 and a maximum of $500,000 for a five-year project. Supplemental funding may be provided in later years, if available.

2. A grantee under P.L. 105-285 would be required to obtain non-federal matching funds equal to the amount of the grant. These matching funds would have to be deposited into a reserve fund. Federal funds would be drawn down in amounts equal to such deposits. Amounts in the reserve fund may be invested, and any income from the investment would have to be deposited into the reserve fund. In addition, the individual development account would be established as a trust, the assets of which would have to be invested under an agreement between the project participant and the grantee. Additional guidelines regarding these investments have not yet been released.

3. Proposals to access funding under P.L. 105-285, may be made by a non-profit tax exempt organization, a community action agency acting independently or by the state in partnership with a community action agency. Proposals had to be submitted by April 27, 1999. The Wisconsin Community Action Programs (WISCAP) submitted a proposal for a program that would fund 17 projects throughout the state. DWD has not submitted a separate proposal.

4. DWD intends to provide the $1.3 million in TANF funding in the budget bill to WISCAP to administer the program. Original cost estimates by DWD and WISCAP indicated that $5.3 million would be required in the biennium to provide IDAs to 2,400 participants through 16 projects statewide. This estimate assumed a match of $2 for every $1 contributed by the participant, with a maximum of $2,000 per account. The $5.3 million amount included: (a) $3.6 million ($1.2

million in 1999-00 and $2.4 million in 2000-01) for account matches; (b) $100,000 ($50,000 annually) for a WISCAP staff person who would administer the program; and (c) $1.6 million ($800,000 annually) for other operating costs. Operating costs were estimated at $50,000 per project annually, which included recruiting eligible account holders; working with financial institutions to set up accounts; providing budgeting and financial counseling services to participants; encouraging account holders to make deposits; tracking sources of account contributions; approving and certifying uses of account funds; providing matching funds; and project reporting and auditing.

5. The $5.3 million biennial amount would have been funded by: (a) $2.0 million from additional federal funding under P.L. 105-285; (b) $2.0 million from private matching sources; and (c) $1.3 million in TANF funding. The TANF funding would be used as match for the accounts, and for supportive services such as financial literacy classes for participants.

6. However, the federal funding from P.L. 105-285 will be reduced compared to original estimates. The most any agency would be able to obtain would be $500,000 in the biennium. According to DWD, WISCAP has indicated that if it is able to obtain a $500,000 grant from the federal government under P.L. 105-285, it could also obtain $500,000 in a non-federal match for those funds and would raise an additional $500,000. With the addition of the $1.3 million in the biennium in TANF funding as proposed by the Governor, total funding for the project would be $2.8 million in the biennium.

7. At a total funding level of $2.8 million, it is estimated that WISCAP could support between 900 and 1,000 accounts over the next two years. Without the TANF funding in the Governor's budget, it is estimated that WISCAP could serve between 400 and 500 individuals. These estimates are based on an assumed match rate of $2 for every $1 contributed by the individual. If the match rate were higher, so that more was contributed by the Department or community action agency, fewer participants could be served. Conversely, if the match rate were lower, more participants could be served.

8. It is difficult to determine the number of individuals that would participate in the program, which could be higher or lower than the estimated number of accounts that could be served. Under the former AFDC program, the state conducted a demonstration project through which AFDC participants could place up to $10,000 in special resource accounts. Only 10 participants took advantage of these accounts. However, no match was provided on those accounts. The proposed IDA program would be available to families that have higher incomes and might be more able to deposit earned income into a savings account. Further, the matching funds would provide a significant incentive for individuals to participate in the program.

9. Individual development accounts are intended to enable low-income families to build assets through saving. Proponents indicate that often it is not the amount of money that is saved that is as important as encouraging the habit of saving. Only people who are willing to put their own money into the program would receive matching funds. Furthermore, most people are able to increase savings because of government programs such as mortgage interest deductions and tax benefits related to individual retirement accounts. Through IDAs, the benefits of saving and asset building could be passed on to people who have not previously saved and invested.

10. Opponents of IDAs argue that these accounts are another form of a cash benefit that renders participants dependent upon government assistance. It also could be argued that the state should not supplement one person's savings when others do not get the same benefit. Although higher income families may receive mortgage interest deductions and tax benefits for contributions to individual retirement accounts, these same programs are available to all individuals that own homes and contribute to retirement accounts.

11. Therefore, the Committee could choose to disapprove the use of TANF funding for individual development accounts. DWD could monitor the progress made by WISCAP absent the TANF funding, including the number of participants using individual development accounts and any positive benefits that result from the WISCAP program. If it is determined that the WISCAP program is successful, and more participants could be served with additional funding, DWD could request funding during the next biennial budget.

12. On the other hand, if the Committee chose to approve the Governor's funding recommendation, the Committee may wish to consider specifying the match rate that would be allowed. The bill specifies that the Department or community action agency could contribute between 50 cents and $4 for every $1 contributed by the participant. It is unclear why this range of matching possibilities is included in the bill. Unless a specific amount is specified, the Department or community action agency could contribute different amounts for different participants. To ensure that all participants are treated on an equal basis, the Committee could set one match rate, such as $2 for every $1 contributed by the participant.

ALTERNATIVES

1. Approve the Governor's recommendation to provide $650,000 annually in federal TANF funding for individual development accounts.

2. Modify the Governor's recommendation by specifying that the Department or community action agency would be required to deposit $2 (or some other amount) for every $1 deposited into the individual development account by the participant.

3. Maintain current law. Under this option, DWD could monitor the progress made by WISCAP absent the TANF funding, including the number of participants using individual development accounts and any positive benefits that result from the WISCAP program. If it is determined that the WISCAP program is successful, and more participants could be served with additional funding, DWD could request funding during the next biennial budget.

Alternative 3	FED
1999-01 FUNDING (Change to Bill)	- $1,300,000

MO# Alt 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 8 NO 8 ABS

MO# AH 2

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—Economic Support and Child Care—Women, Infants and Children Supplemental Food Program

Recommendations:

Paper No. 1107 Alternative 1

Comments: This is the governor's recommendation with a modification to transfer the funding from DWD to DHFS to be distributed to local WIC agencies. See point 8 for support.

Prepared by: Julie

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June 1, 1999 | Joint Committee on Finance | Paper #1107

TANF

Women, Infants and Children Supplemental Food Program (DWD -- Economic Support and Child Care)

[LFB 1999-01 Budget Summary: Page 699, #49]

CURRENT LAW

The Department of Health and Family Services (DHFS) distributes federal funds the state receives from the U.S. Department of Agriculture (USDA) to local agencies that provide food and nutritional educational services at no cost to persons enrolled in the women, infants and children (WIC) supplemental food program. Pregnant, postpartum and breastfeeding women, infants and children under age five in households with income under 185% of the federal poverty level who are identified as being a nutritional "risk" are eligible for the program. Average monthly participation for 1997-98 was approximately 106,350 individuals.

GOVERNOR

Provide federal funding under the temporary assistance to needy families (TANF) program of $500,000 annually to support the costs of nutrition, education, outreach, training, staff certification and salaries for administrators, nutritionists and translators associated with providing nutritional services for women and infants. This funding would be provided on a per capita basis to the same local agencies that administer WIC. However, funding would not be transferred to the WIC program.

DISCUSSION POINTS

1. Federal WIC funding is provided through two separate grants. Food grants support the cost of food products purchased by WIC recipients. Nutrition services and administration

(NSA) grants support other WIC-related costs, as specified in federal law and state policy.

In general, NSA grant funding can be used to support the costs of nutrition education, outreach, staff certification and salaries for administrators, nurses, nutritionists and translators. In addition, NSA funds can be used to support the program's automated food payment system and client information management system. In awarding NSA funds to local agencies, DHFS estimates each agency's monthly caseload and then calculates an annual allotment based on the caseload estimate. Dividing the monthly NSA allotment by the caseload estimate yields an amount that represents an average monthly per capita allotment to support each agency's NSA costs.

2. 1995 Wisconsin Act 27 eliminated the state GPR supplement for the WIC program. Although no GPR funding was budgeted for the program in the 1995-97 biennium, DHFS was authorized to continue to spend down the balance of the GPR continuing appropriation until the funding previously budgeted for the program was completely exhausted.

3. As a result of the elimination of supplemental GPR support of the program and over budgeting of available funds in 1996-97, DHFS reduced the per capita NSA allotment from $9.75 per person in federal fiscal year 1996-97 to $9.34 per person in 1997-98. 1997 Wisconsin Act 237, the budget adjustment bill, provided $518,000 GPR in 1998-99 to increase the per capita payments to the 1996-97 level.

4. Table 1 provides a summary of NSA per capita payments for federal fiscal years 1995-96 through 1998-99:

Average Monthly Per Capita Payments
1995-96 through 1998-99

	Per Capita NSA Payments
1995-96	$9.51
1996-97	9.75
1997-98	9.34
1998-99*	9.79
1999-00*	9.91

*1998-99 and 1999-00 per capita NSA payments are estimated.

5. As this table illustrates, the additional $518,000 GPR that was provided in 1998-99 increased the per capita payment to the 1996-97 level as intended by the Legislature. At this time it is estimated that average per capita payments would be higher in 1999-00 than in 1998-99. Therefore, if the Committee approved the use of $500,000 annually of TANF funding, it could reduce GPR support for the WIC program by $500,000 annually and maintain 1999-00 per capita

payments at a level higher than 1998-99 payments. However, the effect of deleting the GPR funding on 2000-01 NSA per capita payments is unknown because information about the state's federal NSA funding allocations for federal fiscal year 2000-01 is not available.

6. It is expected that the current formula for distributing federal NSA funds between states will be revised for federal fiscal year 2000-01. Although the exact formula changes are unknown at this time, it is expected that the revised formula would be simplified and would take into account the number of women in a state who are income eligible for WIC. According to DHFS staff, under the current formula, Wisconsin receives more than its "fair share" of NSA payments based on the number of WIC income-eligible women in the state. The specific provisions of the final formula and the revised population estimates from the 2000 U.S. Census could either disadvantage or benefit the state as compared to the current distribution. Therefore, the Committee could delete $500,000 GPR in 1999-00 and transfer $500,000 GPR from the DHFS WIC appropriation to the Committee's appropriation. DHFS could submit a request for these funds, under 14-day passive review, if the state's federal fiscal year 2000-01 NSA allotment was lower than the 1999-00 allotment and DHFS projected a decrease in per capita payments as a result.

7. DHFS staff indicate that current per capita NSA payments are sufficient to cover local agencies' operational costs and that the additional TANF funds could be used to support more formalized outreach programming and nutritional education activities.

In order to be eligible for WIC a family must have an income below 185% of the FPL. This is the same income eligibility threshold for BadgerCare, the state's insurance program for uninsured, low-income families. WIC agencies could be an effective component of the state's outreach effort to identify and enroll eligible families in BadgerCare. The additional funding provided under the bill for WIC could be used to conduct outreach, support community partnerships and parent educational activities related to WIC and BadgerCare. Therefore, the Committee could adopt the Governor's proposal to provide $500,000 TANF annually and could increase per capita NSA amounts to support expanded outreach activities related to WIC and BadgerCare.

8. Under the bill, the federal TANF funding for WIC is budgeted in the Department of Workforce Development (DWD). Subsequent to the introduction of the bill, DHFS and DWD have agreed that the most effective and efficient method for distributing these funds would be to transfer the funding from DWD to DHFS and for DHFS to allocate these funds based on the current NSA formula under the NSA contract with local WIC agencies. Consequently, the Committee could direct DWD to transfer this funding to DHFS so that these funds could be distributed along with other WIC NSA funds.

ALTERNATIVES

1. Modify the Governor's recommendation to provide $500,000 annually of federal TANF funding to support WIC nutrition, education and outreach activities by directing DWD to transfer this funding to DHFS so that it could be distributed to local WIC agencies under DHFS

NSA contracts.

Alternative 1	PR
1999-01 FUNDING (Change to Bill)	$1,000,000

2. Modify the Governor's recommendation by reducing funding for WIC by $500,000 GPR annually. In addition, direct DWD to transfer TANF funding for WIC to DHFS so that it could be distributed to local WIC agencies under DHFS NSA contracts.

Alternative 2	GPR	PR	TOTAL
1999-01 FUNDING (Change to Bill)	- $1,000,000	$1,000,000	$0

3. Modify the Governor's recommendation by reducing funding for WIC by $500,000 GPR annually and increasing the Committee's GPR supplemental appropriation by $500,000 in 2000-01. DHFS would be authorized to request this supplemental funding under 14-day passive review, if the state's federal fiscal year 2000-01 NSA allotment was lower than the 1999-00 allotment and DHFS projected lower per capita NSA payments as a result. In addition, direct DWD to transfer TANF funding for WIC to DHFS so that it could be distributed to local WIC agencies under DHFS NSA contracts.

Alternative 3	GPR	PR	TOTAL
1999-01 FUNDING (Change to Bill)	- $500,000	$1,000,000	$500,000

4. Maintain current law.

Alternative 4	FED
1999-01 FUNDING (Change to Bill)	- $1,000,000

Prepared by: Amie T. Goldman

Gov Agency: DWD (Employment, Training and Vocational Rehabilitation Programs) Division of Workforce Excellence Fatherhood Initiative

Recommendations:

Paper No. 1108 **Alternative:** 2

Comments:

Takes the proposed funding for Division of Workforce Excellence and provides it to the Child Abuse & Neglect Prevention (CANP) Board to implement the Fatherhood Initiative.

DWD indicates that the CANP Board would administer the Fatherhood Initiative. The Board currently provides financial and technical assistance to family resource centers and community based organizations for related purposes, it makes sense for JFC to transfer the funding from DWD to the Board.

Prepared by: Deb

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June 1, 1999 | Joint Committee on Finance | Paper #1108

TANF

Division of Workforce Excellence Fatherhood Initiative (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 1999-01 Budget Summary: Page 672, #3 and Page 700, #50]

CURRENT LAW

The Division of Workforce Excellence (DWE) in the Department of Workforce Development (DWD) provides a variety of employment services and support services. The Division has eight bureaus, two offices and four attached boards. Base level funding for the Division is $76,117,400 FED, 333.14 FED positions, $17,835,900 PR, 133.69 PR positions, $2,397,200 GPR and 26.50 GPR positions.

GOVERNOR

Provide $150,000 PR in 1999-00 to the Division of Workforce Excellence to implement the Fatherhood Initiative. The sources of funds would be federal temporary assistance to needy families (TANF) funds transferred from the Division of Economic Support and income augmentation funds transferred from DHFS, which would be placed into the appropriation for inter- and intra-agency agreements for the Division of Workforce Excellence.

DISCUSSION POINTS

1. According to the US Department of Health and Human Services (DHHS), more than 25% of American children (nearly 17 million) do not live with their father. Girls without a father in their life are two and one-half times more likely to get pregnant and 53% more likely to commit suicide. Boys without a father are 63% more likely to run away, 37% more likely to abuse drugs, twice as likely to drop out of high school, twice as likely to end up in jail and four times as likely to

need help for emotional or behavioral problems.

2. In 1995, President Clinton directed all federal agencies to ensure that federal programs and policies strengthen the role of fathers in families. In response, DHHS began a number of activities that recognize and support the role of fathers including providing grants for access and visitation programs and responsible fatherhood demonstration projects funded through the federal child support enforcement program. The Head Start and Early Head Start programs also support the involvement of fathers in the learning and social development of their children. In March, DHHS began a nationwide public service campaign challenging fathers to remain emotionally and financially connected to their children, even when the father does not live with his children. The campaign will air national public service advertising promoting fatherhood.

3. Most states do not have a statewide or comprehensive approach to promoting fatherhood. Generally, there are many local programs that promote fatherhood, but few are connected to a formal state system. The local programs typically provide a variety of services to non-custodial fathers including employment assistance, skills-based training, parenting and life skills classes, anger management, relationship building and child development.

4. Although many states do not have coordinated statewide fatherhood programs, a number have established initiatives. The Iowa legislature appropriated $50,000 to develop a program to promote responsible fatherhood focusing on manageable child support, access to visitation and employment assistance. The $50,000 is one-time start-up money; local public and private monies are expected to provide ongoing funding. California redirected welfare savings to seven counties to operate fatherhood programs at costs ranging from $900 to $5,000 per participant. Florida has a statewide Commission on Responsible Fatherhood that can recommend policy changes that remove barriers to a father's involvement with his children including custody and visitation, child support and teen parenting issues.

5. In August, 1998, Governor Thompson started the Wisconsin Fatherhood Initiative, a comprehensive statewide effort to encourage fathers to support their children both emotionally and financially. The Initiative includes: (a) an executive order instructing all state agencies to examine their programs and policies and make the necessary administrative modifications to ensure that fathers are not discouraged through programmatic or financial disincentives from involvement in the development and care of their children; (b) a summit of scholars, practitioners, policy makers and community leaders to share information and develop strategies to reduce fatherlessness in Wisconsin (the summit was recently held in the Wisconsin Dells); (c) a public awareness campaign to help fathers and mothers understand the key role that fathers have in child development and to encourage fathers to become involved; and (d) a community grant program to develop local fatherhood programs.

6. The executive order requires state agencies to identify statutory changes needed to modify programs and policies to promote fatherhood and report them to DWD. DWD is directed to coordinate all legislative action necessary to ensure state agency programs and policies comply with the executive order. DWD also works with other agencies, organizations and groups through the

Fatherhood Initiative to provide employment services to fathers. The Department hosted a conference to identify best practices and help service providers design and manage effective fatherhood programs. DWD targets specific employment initiatives to low-income fathers. In addition, W-2 has a goal to strengthen the responsibility of both parents to care for their children.

7. The Division of Workforce Excellence administers Job Centers which, along with partners such as private industry councils and W-2 agencies, provide services for job seekers and employers. The Division administers employment and training programs including: the Job Service Public Labor Exchange (Wagner-Peyser funds); the Welfare-to-Work program; and the new Workforce Investment Act funds which replace Job Training and Partnership Act (JTPA) monies. DWE is also responsible for maintaining the statewide JobNet system, administering apprenticeship standards and collecting, analyzing and publishing labor market information. Other responsibilities include veterans' employment programs, the employment transportation program, Job Ride, certification of migrant worker recruitment, hiring and housing, and, along with the Division of Economic Support, the new workforce attachment program.

8. As noted, the bill would provide $150,000 to the Division of Workforce Excellence in DWD. Of the total, $75,000 would be TANF monies and $75,000 would be income augmentation funds. The income augmentation monies could be used to provide services for non-TANF eligible fathers. The bill does not include statutory provisions related to the program. However, the Department has indicated that the funding would be used to establish a local community-based grant program. One-time grants, up to $2,000, would be awarded to community organizations, such as schools, churches, police departments, and family resource centers to fund activities designed to generate more involvement in parenting. Funds could also be used to develop parenting education materials for fathers and administration. The Legislative Audit Bureau indicates that these activities would be an allowable use of TANF funds.

9. The Department indicates that the grant program would be administered by the Child Abuse and Neglect Prevention (CANP) Board which administers the Children's Trust Fund. This would probably be accomplished by DWD and the Board entering into a memorandum of understanding for the Board to administer the grant program. The majority of funding for the Board comes from fees collected for duplicate birth certificates. Funding also comes from federal matching funds and gifts from private individuals, corporations and foundations.

10. The CANP Board provides grants and other assistance to 17 family resource centers across the state. Family resource centers provide a number of services to parents and children including: (a) group services that include parent-education courses, workshops, support groups, drop-in programs and child care; (b) individual, center-based services that provide families with personal consultations and support; (c) outreach and family visiting services to reach out to parents with new children at their homes and other locations; and (d) community resource referral and follow-up services. The CANP Board distributes grants to 21 community-based family resource and support programs. The grants can be used for a number of purposes including public awareness activities, community-based education programs and community-based care and training programs. The CANP Board is also required to conduct outreach activities to educate the community about the

effects of child abuse and neglect, including emphasizing the role of fathers in the primary prevention of child abuse and neglect.

11. As noted, the Department indicates that the CANP Board would administer the grant program. Since the Board currently provides financial and technical assistance to family resource centers and community-based organizations for related purposes, the Committee could transfer the funding from DWD to the Board. A separate program revenue appropriation would have to be created for the grant funds. However, this would move the funds from the state agency that was charged with coordinating state program and policy modifications related to the Fatherhood Initiative.

ALTERNATIVES

1. Approve the Governor's recommendation to provide $150,000 in 1999-00 to the Division of Workforce Excellence to implement the Fatherhood Initiative.

2. Modify the Governor's recommendation to instead provide $150,000 in 1999-00 to the Child Abuse and Neglect Prevention Board to implement the Fatherhood Initiative.

3. Maintain current law.

Alternative 3	FED	PR	TOTAL
1999-01 FUNDING (Change to Bill)	- $150,000	- $150,000	- $300,000

Prepared by: Ron Shanovich

Gov Agency: DWD—Economic Support and Child Care—Workforce Mentors

Recommendations:

Paper No. 1109 Alternative 3

Comments: The governor wants to use TANF money to fund a program in which retirees would become mentors to youth whose family income is below 200% of the FPL. Participants would form relationships to share work experiences. Sounds like a good program for kids, but the proposal lacks details. Best to go with Alt. 3 which sets the money aside for approval under s. 13.10.

Prepared by: Julie

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June 1, 1999 | Joint Committee on Finance | Paper #1109

TANF

Workforce Mentors (DWD -- Economic Support and Child Care)

[LFB 1999-01 Budget Summary: Page 700, #51]

CURRENT LAW

Under current law, community steering committees established by the Wisconsin Works (W-2) agencies, are required to provide mentors, both from their membership and from recruitment of the community, to provide job-related guidance, including assistance in resolving job-related issues and the provision of job leads or references, to persons who are eligible for trial jobs or community service jobs.

GOVERNOR

Provide $55,000 FED annually from the temporary assistance to needy families (TANF) block grant for a program under which retirees would become mentors and share their work experiences with youth whose family income is under 200% of the federal poverty level.

DISCUSSION POINTS

1. Although not specified in the bill, the administration indicates that the funding would be provided for a statewide program and would be allocated as follows: (a) $37,500 annually to the Wisconsin Technical College System (WTCS) for training sessions for mentors; (b) $12,500 annually for stipends for mentors to cover travel and incidental costs; and (c) $5,000 annually to WTCS for printing, supplies, postage and administration of the program.

2. DWD estimates that 500 mentors would be trained in each year of the biennium. Mentors would participate voluntarily and would educate youth about working in the community,

teach skills related to obtaining and keeping a job, encourage students to maintain school enrollment, assist with career planning and provide additional support.

3. Youth who participate in the program would have to be from TANF-eligible families. Staff from the technical colleges would work with financial employment planners (FEPs) in the W-2 agencies and Learnfare case managers to identify students who wish to participate. Participation in the mentoring program would be an acceptable activity under a Learnfare case management plan for teens who are habitual truants, drop-outs or minor parents.

4. Mentoring could have some positive outcomes for participants. According to the National Mentoring Partnership, young people with mentors are more likely to stay in school, attend classes, achieve better grades and go on to college. As described in the organization's guidelines for responsible mentoring programs, successful programs include more than training of the mentors; they include various elements such as a well-defined mission, regular and consistent contact between the mentor and participant, support by the family or guardian of the participant, an established organization of oversight, program evaluation and ongoing assessment, and confidentiality policies.

5. Several volunteer programs that are designed to form mentor relationships between adults and youth are already established in communities throughout the state. They are sponsored by such organizations as schools, United Way agencies, churches, nonprofit organizations and the business community.

6. Furthermore, no guidelines for the program are specified in the bill. DWD has indicated that it would enter into contracts with local technical colleges to recruit, train and assign mentors to participants, and the WTCS would administer the program. These provisions also are not specified in the bill.

7. As of April 30, 1999, DWD had not contacted the WTCS Board about this proposal. Several details regarding this initiative, therefore, remain unclear. These include the type of training that would be provided, whether the funding level is sufficient to cover costs, the number of mentoring relationships that could result from this initiative, what DWD's role would be in this initiative, how mentoring relationships would be monitored to ensure success and what outcomes are expected from the program.

8. It could be argued that DWD should administer this program and could contract with WTCS to train mentors. W-2 agencies administered by the Department are already required to provide mentors for certain adults who are W-2 participants and this would be an expansion of the Department's mentoring initiatives to youth. Outreach to the community regarding this program and recruiting mentors, making matches between mentors and eligible youths, providing other supportive services, and providing ongoing assessment and program evaluation would be the function of DWD. If the Committee wished to approve the Governor's recommendation, the Committee could specify that the program would have to be administered by DWD.

9. Because the bill does not contain guidelines for this program, and because several details regarding this proposal remain unclear, funding could be placed in the Joint Committee on Finance's appropriation to be released under s. 13.10 upon approval of a plan that contains more detailed information regarding the costs and administration of the mentoring program.

10. On the other hand, because various mentoring programs are already established, and because several details regarding the proposal remain unclear, the Committee could maintain current law.

ALTERNATIVES

1. Approve the Governor's recommendation to provide $55,000 FED annually for a program under which retirees would become mentors and share their work experiences with youth whose family income is under 200% of the federal poverty level.

2. Modify the Governor's recommendation by specifying that DWD would be required to administer the mentoring program, and could contract with the Wisconsin Technical College System or district college boards to provide training.

3. Modify the Governor's recommendation by placing funding for the mentoring program in the Joint Committee on Finance's program supplements appropriation. The funding could be released under s. 13.10 upon approval of a plan regarding the use of these funds submitted by the Department that would include more detailed information regarding the costs and administration of this initiative.

4. Maintain current law.

Alternative 4	FED
1999-01 FUNDING (Change to Bill)	- $110,000

Prepared by: Joanne T. Simpson

Gov Agency: DWD (Economic Support & Child Care) New Transfers of TANF funding to other agencies

Recommendations:

Paper No. 1110 **Alternative:** A1, B1, C1

Comments:

A1 Head Start Program
Approves Governor's recommendation by replacing GPR with TANF for the Head Start Program.

B1 State Recruiter Position
Approves Governor's recommendation by replacing GPR with TANF for a state recruiter position in the Department of Employee Relations.

C1 Early Identification of Pregnancy
Approves Governor's recommendation to federal funding for an early identification of pregnancy program. These funds would not replace GPR. TANF funding would be provided for outreach activities to increase public awareness of the program and for case management services that will inform individual women about particular services.

Prepared by: Deb