

2005 DRAFTING REQUEST

Bill

Received: 01/10/2005

Received By: **jkuesel**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 4-8259**

By/Representing: **Hummert**

This file may be shown to any legislator: **NO**

Drafter: **jkuesel**

May Contact: **Greg Frigo or Mark Mansfield, DW**

Addl. Drafters:

Subject: **Unemployment Insurance**

Extra Copies: **GMM - 1**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Hummert, BB0374 -

Topic:

Funding of employment service from UI Reed Act moneys

Instructions:

Per attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkuesel 01/12/2005	jdyer 01/12/2005		_____			State
/1			rschluet 01/12/2005	_____	lnorthro 01/12/2005		State
/2	jkuesel 01/22/2005	kfollett 01/22/2005	chaugen 01/23/2005	_____	sbasford 01/24/2005		

FE Sent For:

<END>

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/?	jkuesel 01/12/2005	jdye 01/12/2005		_____			State
/1	jkuesel	12/18/05	rschluet	_____	Inorthro		
/2	jkuesel jr	1/22/05	01/12/2005	_____	01/12/2005		

FE Sent For:

<END>

2005 DRAFTING REQUEST

Bill

Received: **01/10/2005**

Received By: **jkuesel**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-8219**

By/Representing: **Fath**

This file may be shown to any legislator: **NO**

Drafter: **jkuesel**

May Contact: **Greg Frigo or Mark Mansfield, DW**

Addl. Drafters:

Subject: **Unemployment Insurance**

Extra Copies: **GMM - 1**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Fath, BB0374 -

Topic:

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Instructions:

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/?	jkuesel 01/12/2005	jdyer 01/12/2005		_____			State
/1			rschluet 01/12/2005	_____	lnorthro 01/12/2005		

FE Sent For:

<END>

DW0129

2005 DRAFTING REQUEST

Bill

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Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-8219**

By/Representing: **Fath**

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Drafter: **jkuesel**

May Contact: **Greg Frigo or Mark Mansfield, DW**

Addl. Drafters:

Subject: **Unemployment Insurance**

Extra Copies: **GMM - 1**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Fath, BB0374 -

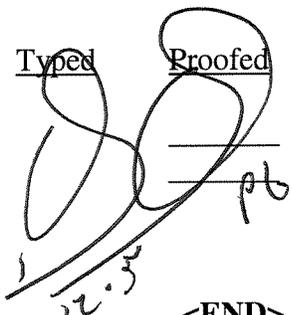
Topic:

Funding of employment service from UI Reed Act moneys

Instructions:

Per attached.

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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/1	jkuesel	1/12	1/12 jld				

FE Sent For: 12.3 <END>

2005-07

~~2003-05~~ Budget Bill Statutory Language Drafting Request

- Topic: Use Reed Act Funds for Job Service Staff
- Tracking Code: BBO374
- SBO team: Education
- SBO analyst: Erin Fath
 - Phone: 266-8219
 - Email: erin.fath@doa.state.wi.us
- Agency acronym: DWD
- Agency number: 445

Date: January 6, 2005
To: Steve Miller
From: Erin Fath
Subject: Statutory Language Request

Use Reed Act Funds for Job Service Staff

Permit the Department of Workforce Development to use the revenues received in the appropriation under s. 20.445 (1)(nd) for the Job Service program.

Per DWD this change will also require including the appropriation under s. 20.445(1)(nd) as an exemption to s. 108.161(4)(c), which states that funding is limited by the restriction "available for obligation solely within the 2 years beginning on the appropriation law's date of enactment." It looks to me like s. 20.445(1)(nd) is already included as an exemption under s. 108.161(4)(c) ... so I don't know if a change is needed here.

Please make this change effective with passage of the budget bill.

If you have any questions, please call me at 6-8219, or send me an email at erin.fath@doa.state.wi.us.

Thank you.

reemployment services for UI claimants
Mark Mansfield
Greg Frigo

Kuesel, Jeffery

To: Fath, Erin

Subject: RE: Draft: using Reed Act funds for Job Service

Erin,

I will talk to or contact by e mail Frigo, Mansfield and Bernstein regarding this draft. However, as with other budget drafts, only DOA will receive copies of this draft.

Jeff Kuesel

-----Original Message-----

From: Fath, Erin

Sent: Monday, January 10, 2005 5:02 PM

To: Kuesel, Jeffery

Subject: Draft: using Reed Act funds for Job Service Staff

Jeff,

In addition to Mark Mansfield (DWD), could you please also keep DWD's legal counsel Howard Bernstein in the loop on this draft? I sent over the draft requesting that the appropriation language be modified to permit use of the Reed Act funds for job service staff; to be more specific, DWD's request was to use it for re-employment services for Unemployment Insurance claimants.

Thanks,

Erin K. Fath

Wisconsin State Budget Office

(608) 266-8219

Erin.Fath@doa.state.wi.us

2005

Date (time) needed

DNOTES e 1/2 of 1/3
SOON
LRB- 1595, 1

DOA BUDGET DRAFT

JTK; jld:

Use the appropriate components and routines developed for bills.

>>FOR 2005-07 BUDGET — NOT READY FOR INTRODUCTION<<

AN ACT ... [DO NOT generate catalog]; relating to: the budget ^{of financing} ...
of the state employment service and making
an appropriation ⊙

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:

- For the main heading, execute: create → anal: → title: → head
- For the subheading, execute: create → anal: → title: → sub
- For the sub-subheading, execute: create → anal: → title: → sub-sub

For the analysis text, in the component bar:

- For the text paragraph, execute: create → anal: → text

see attached

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION #.



2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1595/lins2
JTK.....

EMPLOYMENT ✓

Currently, DWD operates an employment service which assists unemployed individuals in finding suitable employment. This program is funded with federal revenue. *e that*

This bill permits this program to be funded, in addition, from the unemployment reserve fund, which is used to pay unemployment insurance benefits. ✓
The change potentially increases the liability of employers to finance those benefits through contributions (taxes). ✓

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1595/lins
JTK.....

X
SECTION 1. 20.445 (1) (nd) of the statutes is amended to read:

20.445 (1) (nd) *Unemployment insurance administration; apprenticeship and employment service.* From the moneys received from the federal government under section 903 (d) of the federal Social Security Act, as amended, the amounts in the schedule, as authorized by the governor under s. 16.54, to be used for administration by the department of apprenticeship programs under subch. I of ch. 106 and for administration of reemployment assistance services provided to unemployment insurance claimants by the employment service. All moneys transferred from par. (n) for this purpose shall be credited to this appropriation account. Notwithstanding s. 20.001 (3) (a), the treasurer of the unemployment reserve fund shall transfer any unencumbered balance in this appropriation account that is not needed or available to carry out the purpose of this appropriation to the appropriation account under par. (n). No moneys may be expended from this appropriation unless the treasurer of the unemployment reserve fund determines that such expenditure is currently needed for the purpose specified in this paragraph.

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772mn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19), 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; 1999 a. 9 ss. 270, 458 to 478; 1999 a. 15, 32; 2001 a. 16, 35, 43, 104, 109; 2003 a. 33, 197.

✓ *****NOTE:** This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

(END)

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

LRB-1595/1dn

JTK.....

JTK
Jld

Erin Fath:

According to Greg Frigo, the U.S. Department of Labor objected to the fact that no dollar amount was shown in the schedule for s. 20.445 (1) (nd), stats. in the 2003-05 biennial budget act, because federal law requires that the legislature must make a specific appropriation of Reed Act moneys. You may wish to ensure that a dollar amount is included in the current budget bill for this appropriation. *

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

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

LRB-1595/1dn
JTK:jld:rs

January 12, 2005

Erin Fath:

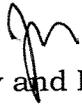
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Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

1-11-05

2005-07 Budget Bill Statutory Language Drafting Request

- Topic: Funding apprenticeship administration
- Tracking Code: BB0703
- SBO team: Education
- SBO analyst: Josh Hummert
 - Phone: 4-8259
 - Email: joshua.hummert@doa.state.wi.us
- Agency acronym: DWD
- Agency number: 445

CORRESPONDENCE MEMORANDUM**STATE OF WISCONSIN**
Department of Administration**Date:** January 11, 2005**To:** Steve Miller
Legislative Reference Bureau**From:** Josh Hummert 
Executive Policy and Budget Analyst**Subject:** Funding Apprenticeship Administration

Please make the following changes to the appropriation under s. 20.445(1)(nd):

1. Please change the title so that the appropriation references the fact that these funds are used to provide employment services and they support the state apprenticeship program such as, "Employment services; apprenticeship."
2. The appropriation should receive all moneys from s.20.445(1)(n), not to exceed the amounts in the schedule plus any compensation supplements.

DWD has suggested that the drafter may wish review the impact of s. 108.161(4)(d) on this appropriation. Although this use of Reed Act funds is primarily for direct services rather than employment security administrative purposes, the current language appears to the department to contain other elements itemized at s. 108.161(4). As a result DWD, is wondering whether a statement needs to be included that would limit the total amount that may be obligated under this appropriation to the aggregate amounts credited under s. 108.161(1).

If there are questions or additional information is needed please contact me at 4-8259.

cc: Linda Nelson
Bob Hanle

JTK

facsimile transmittal

To: Jeff Kuesel **Fax:** 608-264-6948

From: Erin Fath **Date:** 01/19/05

Re: Modification to LRB 1595/1 **Pages:** 3~~1~~ + cover

CC:

- Urgent
 For Review
 Please Comment
 Please Reply
 Please Recycle
-

Jeff:

Attached are the specific instructions that DWD provided in its budget request to the Governor. When I sent over the initial drafting request, I was using DWD's summary statement of the necessary statutory language change, rather than the detailed document that is attached here. This became apparent when DWD reacted to the initial draft.

The Governor has approved all the uses of Reed Act funds that DWD proposed. DOA agrees with the changes included in DWD's drafting instructions.

Thanks,

Erin Fath

STATUTORY MODIFICATIONS

Department of Workforce Development
2005-2007 Biennial Budget Request

DIN Number: 5528

Topic: Reed Act, Employment Services Staffing for Grow Wisconsin

Description of Change:

Re-title the appropriation under s.20.445(1)(nd) and make technical changes to clarify the appropriation description as continuing and ensure conformity with federal requirements pertaining to the use of Reed Act funds. The changes suggested are shown below:

secret 20.445(1)(nd) ~~Unemployment insurance administration~~ Employment Services; apprenticeship. *OK*
From the moneys received from the federal government under section 903(d) of the federal Social Security Act, as amended, all moneys transferred from par. (n), not to exceed the amounts in the schedule and the amount of any compensation supplements, as authorized by the governor under s. 16.54, to be used for administration by the department of apprenticeship programs under subch. 1 of ch. 106 and for administration and service delivery of employment and workforce information services, including the delivery of reemployment services to unemployment insurance claimants. All moneys transferred from par. (n) for this purpose shall be credited to this appropriation account. Notwithstanding s.20.001(3)(a), the treasurer of the unemployment reserve fund shall transfer any unencumbered balance in this appropriation account that is not needed or available to carry out the purpose of this appropriation to the appropriation account under par. (n). No moneys may be expended from this appropriation unless the treasurer of the unemployment reserve fund determines that such expenditure is currently needed for the ~~purpose~~ purposes specified in this paragraph.

The drafter may wish to review whether, pursuant to s.108.161(4)(d), a statement should be included limiting the total amount that may be obligated under s.20.445 (1)(nd) during any fiscal year to the aggregate of amounts credited under s.108.161(1). Although this proposed use of Reed Act funds is primarily for direct services rather than "employment security administrative purposes," the current appropriation language appears to contain the other elements itemized at s.108.161(4).

Justification:

Changing the appropriation title to delete the reference to "Unemployment insurance" would provide correspondence with both state administration of the apprenticeship program and federal Reed Act guidance. The apprenticeship program is administered by DWD's Division of Workforce Solutions, not its Division of Unemployment Insurance.

Further, USDOL Training and Employment Guidance Letter number 24-01, issued May 8, 2002, which describes suggested uses of Reed Act funds, distinguishes between "unemployment insurance" and "employment service" operations. It states that, in addition to unemployment-insurance uses, "*In general, Reed Act funds may be used in the same manner that Wagner-Peyser Act funds are used to support One-Stop systems [for] service delivery of employment and workforce information services in One-Stop Career Centers [including] staff....*" The use of Reed Act funds for apprenticeship services staffing is an eligible use of Wagner-Peyser funds, and more consistent with this "employment services" concept than with the description "*Unemployment insurance administration.*"

In addition, this decision item proposes to use Reed Act funds for staff and other services provided by the Division of Workforce Solutions' Bureau of Job Service, targeting reemployment services for UI claimants. The language suggested to refer to these activities is taken from the same federal Employment Guidance memo.

To comply with federal directives regarding the state's use of Reed Act funds for administrative purposes, the appropriation must:

- Be appropriated by the legislative body of the State
- Specify the purpose and amounts
- Limit the amount to the unobligated Reed Act funds available to the state.

The other suggested changes involve these requirements.

While it is federally required that the appropriation of Reed Act funds specify its purpose, there does not appear to be any prohibition against including more than one closely related purpose within the same appropriation. Since the uses for the bureaus of Job Service and Apprenticeship Standards would both relate primarily to staffing, inclusion within the same appropriation would avoid the proliferation of separate appropriations and provide flexibility in the management of vacancies, if any. In addition, using the existing appropriation includes the new use within the current-law exception at s.108.161(4)(c).

It is suggested that the reference to "*as authorized by the Governor under s. 16.54*" be stricken because federal guidance appears to indicate the amount of the appropriation must be determined by the legislature. It is unclear whether this amount may be open-ended to allow increases by the executive branch, as is the norm for federal-funds appropriations in Wisconsin.

The appropriation definition currently begins with a reference to "*the amounts in the schedule,*" which normally designates an annual appropriation, even though it was designated "*continuing*" in the appropriation schedule, and this appears to have been the intent given the later references to s. 20.001(3)(a) and "*all moneys transferred....*" which may be used to designate a continuing appropriation. It is unclear why the "*amounts in the schedule*" language was originally included, since 2003 Wisconsin Act 33 did not include any amounts in the schedule. If the intent was to limit the appropriation to the amount needed, current-law requirements would seem sufficient to

accomplish that: They require the treasurer of the unemployment reserve fund to determine that expenditures are currently needed for the purpose of the appropriation, and to transfer back to the appropriation under s.20.445(1)(n) any amounts that are determined to be unnecessary or unavailable for the purpose.

The language specifying "*not to exceed*" the amounts in the schedule plus compensation supplements may be a way to ensure that the amount of the appropriation is circumscribed by the legislative branch while providing for the normal Wisconsin procedure of supplementing appropriations that fund staff after compensation plans are determined.

The department is proposing continued use of this same appropriation for apprenticeship services. In the event that proposal is not adopted, this language would need to be modified to remove apprenticeship references.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1595/2

JTK:jld:rs

EKF

wanted soon

DOA:.....Fath, BB0374 - Funding of employment service from UI Reed Act moneys

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

Do Not Gen

- 1 AN ACT ...; relating to: financing of the state employment service and making
2 an appropriation.

Analysis by the Legislative Reference Bureau

EMPLOYMENT

Currently, DWD operates an employment service that assists unemployed individuals in finding suitable employment. This program is funded with federal revenue.

This bill permits this program to be funded, in addition, from the unemployment reserve fund, which is used to pay unemployment insurance benefits. The change potentially increases the liability of employers to finance those benefits through contributions (taxes).

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 3 SECTION 1. 20.445 (1) (nd) of the statutes is amended to read:

1 20.445 (1) (nd) ~~Unemployment insurance administration, apprenticeship~~
2 ~~and~~ employment service^S From the moneys received from the federal government under
3 section 903 (d) of the federal Social Security Act, as amended, the amounts in the
4 schedule, as authorized by the governor under s. 16.54, to be used for administration
5 by the department of apprenticeship programs under subch. I of ch. 106 and for
6 administration of reemployment assistance services ~~provided~~ ^{and service delivery of employment and workforce information services} to unemployment
7 insurance claimants ~~by the employment service~~. All moneys transferred from par.
8 (n) for this purpose shall be credited to this appropriation account. Notwithstanding ^{including}
9 s. 20.001 (3) (a), the treasurer of the unemployment reserve fund shall transfer any ^{including}
10 unencumbered balance in this appropriation account that is not needed or available ^{the}
11 to carry out the purpose of this appropriation to the appropriation account under par. ^{delivery}
12 (n). No moneys may be expended from this appropriation unless the treasurer of the
13 unemployment reserve fund determines that such expenditure is currently needed
14 for the ~~purpose~~ ^{purposes} specified in this paragraph.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1595/2
JTK:jld&kjf:ch

DOA:.....Hummert, BB0374 – Funding of employment service from UI Reed
Act moneys

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

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10 (3) (a), the treasurer of the unemployment reserve fund shall transfer any
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14 unemployment reserve fund determines that such expenditure is currently needed
15 for the ~~purpose~~ purposes specified in this paragraph.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

(END)