



Legislative Fiscal Bureau

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November 5, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 272: Community Youth Grant Funding for the Wisconsin Chapters of the Boys and Girls Clubs of America

Senate Bill 272 was introduced on October 10, 2001, and relates to providing additional community youth grant funding to the Wisconsin chapters of the Boys and Girls Clubs of America. On October 17, 2001, the Senate Committee on Labor and Agriculture recommended passage of Senate Bill 272 as amended by Senate Amendment 1 by a vote of 5 to 0. The Senate referred Senate Bill 272 to the Joint Committee on Finance on October 30, 2001.

Identical legislation has also been introduced in the Assembly as Assembly Bill 542. On October 25, 2001, the Assembly Committee on Children and Families recommended passage of Assembly Bill 542 as amended by Assembly Amendment 1 by a vote of 7 to 0. The two bills have identical language as amended.

BACKGROUND

The Department of Workforce Development (DWD) currently operates the community youth grant program, which is a competitive and targeted grant program that funds programs that improve social, academic and employment skills of youth whose families have income that does not exceed 200% of the federal poverty level. The community youth grant program is funded by the federal temporary assistance for needy families (TANF) block grant. The program began in the 1999-01 biennium with an allocation of \$7.5 million annually. Some grants were targeted to specific agencies while others were distributed through a competitive process. The Wisconsin chapters of the Boys and Girls Clubs of America received targeted grants totaling \$2.6 million in the 1999-01 biennium.

As passed by the Legislature, Senate Bill 55 (the 2001-03 biennial budget bill) would have provided \$7,579,700 in 2001-02 and \$500,000 in 2002-03 for community youth grants. This funding included \$500,000 annually for the Boys and Girls Clubs of America and \$7,079,700 in 2001-02 for current contractual obligations ending December 31, 2001.

In Act 16 (the 2001-03 biennial budget), the Governor's partial veto reduced the amount of funding available for the Boys and Girls Clubs of America from \$500,000 annually to \$50,000 annually. For 2001-02, the overall allocation for community youth grants was not changed, meaning that \$50,000 is designated for the Boys and Girls Clubs of America and \$450,000 is available for new competitive grants under the community youth grant program. For 2002-03, the overall allocation for community youth grants was reduced by \$450,000 but the funds remain appropriated to DWD. The veto message requested that the Secretary of the Department of Administration (DOA) place this \$450,000 into unallotted reserve in 2002-03.

SUMMARY OF BILL

The bill would reverse the Governor's partial veto of community youth grant funding in Act 16 by increasing funding for the Boys and Girls Clubs of America by \$450,000 annually for a total allocation of \$500,000 annually. The bill would also increase the amount of TANF funding appropriated in 2002-03 by \$450,000.

SUMMARY OF SENATE AMENDMENT 1

Because the Governor's veto did not reduce the TANF appropriation level, no funds need to be appropriated to restore funding to the Boys and Girls Clubs of America. Senate Amendment 1, which was adopted by the Senate Committee on Labor and Agriculture, deletes language in the original bill that would have increased the federal TANF appropriation in DWD by \$450,000 in 2002-03. (Assembly Amendment 1 to AB 542 is identical to Senate Amendment 1.)

FISCAL EFFECT

As amended, SB 272 would increase funding for the Boys and Girls Clubs of America without increasing appropriation levels. Increasing the earmark for the Boys and Girls Clubs of America by \$450,000 in 2001-02, would decrease funding available for new competitive community youth grants by \$450,000. In contrast, increasing the earmark for the Boys and Girls Clubs of America by \$450,000 in 2002-03 would allocate funds that the Governor had instructed DOA to place in unallotted reserve and would therefore decrease the ending TANF balance from \$723,000 under Act 16, to \$273,000.

While there is sufficient funding in Act 16 to fund SB 272, there are several factors which could affect the TANF balance. First, DWD has not yet completed its analysis of final TANF

expenditures in 2000-01. Thus, the final balance for 2000-01 could be higher or lower than that reflected in Act 16. In addition, the Bad River Tribe has opted to receive its TANF grant directly from the federal government, which will reduce the state's TANF grant in the 2001-03 biennium. The Committee should also note that the Wisconsin Works (W-2) cash benefit caseload has been increasing in 2001, and there may be requests to use any available TANF funding to address potential shortfalls in cash benefits. The cash benefit caseload has increased by 1,383 from January to September, 2001, after being stable in calendar year 2000. The cash benefit caseload in September, 2001, was 8,062, but the budget for the W-2 agency contracts starting on January 1, 2002, only assumed an average cash caseload of 7,244 per month.

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