



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #1025

Division of Community Services Programs (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 2001-03 Budget Summary: Page 720, #1]

CURRENT LAW

The Department of Workforce Development (DWD) consists of six operating divisions, the Office of the Secretary, two attached boards and an attached commission. The divisions are Equal Rights, Worker's Compensation, Workforce Solutions, Unemployment Insurance, Administrative Services, and Vocational Rehabilitation. The Labor and Industry Review Commission, Wisconsin Conservation Corps (WCC) and WCC Board, and Governor's Work-Based Learning Board are attached to the Department for administrative purposes.

GOVERNOR

Provide \$48,500 GPR, 0.50 GPR position, 3.00 FED positions, and 2.50 PR positions annually, and \$3,736,700 FED and \$308,100 PR in 2001-02, and \$3,738,400 FED and \$313,300 PR in 2002-03 to create the Division of Community Service Programs in DWD. The Division would consist of: (a) the Wisconsin Conservation Corps; (b) the National and Community Service Board (NCSB); (c) the Alliance for Wisconsin Youth (Alliance); (d) the Wisconsin Service Corps (WSC); and (e) the Operation Fresh Start (OFS) Replication program. The Division would also be required to work with Operation Fresh Start in Dane County to develop a plan to improve WCC operations.

DISCUSSION POINTS

National and Community Services Board

1. The state National and Community Service Board would be transferred from the Department of Administration (DOA) to DWD and attached for administrative purposes. The Secretary of Workforce Development would replace the Secretary of Administration on the Board. The new Division of Community Service Programs would be provided \$41,800 PR, 1.0 PR position, \$3,736,700 FED and 4.0 FED positions in 2001-02, and \$47,000 PR, 1.0 PR position, \$3,738,400 FED and 4.0 FED positions in 2002-03 to staff and administer the NCSB and its programs. Of the total funding, \$3,694,900 FED and 3.0 FED positions in 2001-02 and \$3,691,100 FED and 3.0 FED positions in 2002-03 would be transferred from DOA. The PR funding and position would be transferred from DHFS. Finally, \$41,800 FED and 1.0 FED position in 2001-02 and \$47,300 FED and 1.0 FED position in 2002-03 in new funding and position authority would be provided. The bill includes transitional provisions that would specify that assets and liabilities, 3.0 incumbent employees, tangible personal property, including records, and contracts primarily related to the functions of the National and Community Service Board, as determined by the Secretary of Administration, would be transferred from DOA to DWD on the bill's general effective date. All employees transferred from DOA to DWD would have the same rights and status that they had in DOA, and would not have to serve a probationary period.

2. The National and Community Service Board was created in response to the federal National Service Trust Act of 1993. The federal act established a federal administrative entity, the Corporation for National Service (CNS), and required states to create a state commission to administer the federal act at the state level. CNS provides funding to state commissions for programs established to address human, educational, environmental, or public safety needs. The Wisconsin commission, the National and Community Services Board, was created by the Governor under Executive Order 214 in January, 1994, and subsequently enacted into law under 1993 Wisconsin Act 437. The state NCSB is federally funded and receives an annual administrative grant to cover Board costs including staffing. The state is required to match the federal funding dollar-for-dollar and provides match amounts through in-kind contributions such as rent, staff time and equipment. The NCSB is attached to DOA for administrative purposes and is staffed by 3.0 FED permanent positions and 1.0 project position attached to DOA. DOA has entered into a memorandum of understanding (MOU) with the Department of Health and Family Services (DHFS) to administer its programs through DHFS. DHFS is authorized 1.0 PR position and \$79,800 PR for NCSB activities.

3. The state National and Community Services Board includes 16 members appointed to serve three-year terms. The duties of the Board include: (a) developing and updating a three-year plan for the provision of national service programs in the state; (b) preparing applications for financial assistance from the federal Corporation for National Service; (c) providing technical assistance to persons applying for financial assistance who plan to implement a national service program; (d) assisting in providing health and child care for participants; (e) providing a system of recruitment and placement of participants in programs and sharing information concerning service

programs with the public; (f) on request, providing training and materials to programs; (g) distributing funds made available by the Corporation, giving priority to persons providing youth programs; and (h) providing oversight and evaluation to the programs funded.

4. The NCSB receives federal funds for two service programs: AmeriCorps and Learn and Serve America Community-Based Program. NCSB distributes federal funds for these programs in Wisconsin. The NCSB is budgeted \$3,779,900 for AmeriCorps and \$170,000 for Learn and Serve America in 2000-01. The Learn and Serve program contract will expire after 2001. The AmeriCorps program provides education awards to individuals between 17 and 25 years old in exchange for a term of service. Nationally, most AmeriCorps members are selected by and serve with projects like Habitat for Humanity, the American Red Cross, Boys and Girls Clubs and other local and national organizations. Community service activities include tutoring and mentoring children, coordinating after-school programs, building homes, organizing neighborhood watch groups, cleaning parks, and other community improvement activities. After their terms of service, AmeriCorps members receive education awards that help finance college or repay student loans. In Wisconsin, AmeriCorps grant recipients have recruited young adults to participate in supervised teams to complete community service projects such as housing construction, lead abatement activities and peer tutoring and mentoring.

5. Although the NCSB was attached to DOA when it was created, administration of the Board was transferred to the Department of Commerce from 1997 to 1999 through an MOU and is currently attached to DHFS through an MOU. In addition, in the 1999-01 biennial budget bill, the Governor requested that the NCSB be transferred to DHFS. However, the Legislature deleted the provision.

Alliance For Wisconsin Youth

6. The state-level activities related to the Alliance for Wisconsin Youth would be transferred from DHFS to the new Division of Community Services Programs in DWD. The Division would be provided \$48,500 GPR, 0.50 GPR position, \$266,300 PR and 1.50 PR positions annually to administer the program.

7. The Department of Health and Family Services provides funding and staff to support the Alliance for Wisconsin Youth (formerly known as the Alliance for a Drug-Free Wisconsin). The Alliance is a 120-member organization that has been receiving funds from DHFS for over a decade. The Alliance was established as a youth anti-drug program. However, at the Governor's request, the Alliance expanded its mission in 1999 to include the Wisconsin Promise Program. As a result, the Alliance also works to help youth have access to five fundamental resources: (a) reliable and affordable health care; (b) an effective education; (c) ongoing relationship with a caring adult such as a mentor, tutor or coach; (d) safe places and structural activities during non-school hours; and (e) an opportunity to give back through community service. The Alliance assists communities in forming local alliances including professionals and citizen volunteers. The Alliance supports the local alliances by: (a) connecting them with a statewide network of information-sharing; (b) providing information regarding state funding for prevention; and (c) providing mini-grants,

technical support and training.

8. In addition to supporting 2.0 positions, DHFS provides financial support to the Alliance for statewide coordination, materials and technical assistance to communities to prevent the illegal use of controlled substances and the abuse of alcohol and other drugs and to promote the activities related to Wisconsin Promise. The positions include the director and associate director of the Alliance that are responsible for administering the mini-grant program and providing other technical and administrative assistance to local members. The Alliance also awards mini-grants of up to \$2,000 to local alliances for substance abuse prevention activities.

Wisconsin Service Corps Members

9. The new Division of Community Service Programs would be given authority to administer the Wisconsin Service Corps program. The current GPR appropriation for WSC member compensation and project costs not paid by sponsors would be eliminated and \$94,300 GPR in annual funding would be transferred to the new Division and placed in the general enrollee operations GPR appropriation for the WCC. Statutory provisions would be modified to allow the appropriation to be a source of funding for Wisconsin Service Corps general program operations. Similarly, the current Service Corps appropriations for sponsor contributions and service funds would be eliminated and authority for Service Corps program revenue and expenditures would be consolidated in WCC appropriations used for the same purpose.

10. The Wisconsin Service Corps was created by 1991 Wisconsin Act 39 (the 1991-93 biennial budget) to employ individuals between 18 and 25 years of age to work on projects that address the social, economic or health needs of the community. The program is managed as part of the Governor's Central City Initiative and is limited to projects and activities in Milwaukee County. The WSC was modeled after the WCC.

11. The Wisconsin Service Corps program was established to: (a) provide employment for young adults; (b) encourage and develop work skills, meaningful work experiences, and training and educational opportunities for corps members; and (c) address the social, health and economic needs of a community that is located in a county with a population of 500,000 or more (Milwaukee County). Corps members are required to work on projects developed, in cooperation with DWD, by state agencies, local units of government or private organizations that operate in Milwaukee County. In order to qualify as an approved project, a project must provide employment opportunities to corps members, consist of community service activities, and be located in Milwaukee County. To be eligible for participating in the WSC, individuals must be unemployed and between the ages of 18 and 25. DWD is directed to attempt to hire at least 50% of corps members from persons who are receiving public assistance or have received it within a year of application for employment. Annual funding of \$94,300 GPR is provided for DWD Service Corps member wages and, in certain cases, other project costs.

Wisconsin Conservation Corps

12. The Division of Community Services Programs would be required to administer the WCC program. The WCC Board would be transferred to the new Division and changed to the WCC Council and the WCC Executive Director position would be eliminated. WCC staff and funding would also be transferred to the Division. The Division would assume all authority and responsibility currently held by the Board. The WCC has base level funding of \$1,755,900 GPR, \$502,200 PR and \$3,702,500 SEG, and 2.50 GPR, 1.0 PR and 7.50 SEG positions.

13. The Division would be responsible for: (a) developing WCC program guidelines and policy; (b) employing administrative staff; (c) developing guidelines and administering the project approval process; (d) establishing guidelines for project selection; (e) preparing project cost estimates and work plans; (f) administering project and administrative funding; (g) developing administrative guidelines; (h) preparing and signing project responsibility agreements; (i) establishing qualifications, standards and requirements and classifying, selecting and hiring, supervising, employing, training, educating, equipping, promoting, disciplining, terminating, and compensating (including benefits, bonuses and vouchers) corps members, crew leaders, assistant crew leaders and regional crew leaders; (j) developing an affirmative action plan; (k) establishing residential facilities for corps members; and (l) preparing reports and evaluations.

14. The WCC Council would be required to advise the Division in: (a) developing WCC program guidelines; (b) establishing guidelines for project approval; (c) developing administrative guidelines; (d) establishing minimum levels of qualifications for assistant crew leaders, crew leaders and regional crew leaders; (e) establishing selection standards for corps members; (f) adopting an affirmative action plan; (g) developing procedures for hiring corps members; and (h) establishing standards for evaluating performance, determining promotions and terminating corps members. The bill would also require the WCC Council to include a member or employee of a local workforce development board (WDB). Under current law, the WCC Board must include a member (but not an employee) of a WDB.

15. The bill specifies that the incumbent employees in classified positions as determined by the Secretary of Administration, contracts, administrative rules, orders and pending matters of the WCC Board would be transferred to DWD on the bill's general effective date. All employees transferred from the WCC Board to DWD would have the same rights and status as they had at the Board, and would not have to serve a probationary period. In addition, all members of the WCC Board would become members of the WCC Council, unless the Governor appointed a replacement, and would serve for the same term as they were appointed to on the WCC Board.

16. The WCC was created in 1983 to provide employment to young men and women 18 to 25 years of age through the completion of conservation and natural resource projects. In addition, a major goal of the WCC is to teach young adults basic work habits and job skills, to develop cooperation and discipline through meaningful work experiences, and to provide training and educational opportunities, all of which would improve their chances of securing employment in the private sector. WCC has approximately 50 crews conducting projects throughout the state, in both

rural and urban areas. Each crew typically consists of four to six corps members and a crew leader.

Projects for WCC crews are developed in association with sponsors, such as governmental agencies, nonprofit organizations and school districts, and are typically designed to last for one year. Corps members are hired for the duration of a project. In some cases, projects can be renewed and corps members rehired. Sponsors are responsible for providing transportation for the crew from a designated reporting location to the worksite, for tools, materials and equipment to complete project activities, for some technical assistance and for support services for the crew leader.

WCC crews perform a variety of conservation and community development projects, including timber stand improvement, trail development, planting trees, soil erosion control, construction of recreational facilities, weatherizing buildings and providing various human services. The sources of funding for WCC crews include GPR, PR and SEG appropriations. The sources of SEG funding for crew activities are the forestry and water resources accounts of the conservation fund and the environmental fund.

Division Administrator

17. The unclassified position for the WCC Board Executive Director would be used for the division administrator of the new Division of Community Services Programs. Another unclassified position in the Division of Workforce Solutions would be deleted to reflect the elimination of the WCC Executive Director position. (The Division of Workforce Excellence and the Division of Economic Support have been consolidated into the new Division of Workforce Solutions.)

Operation Fresh Start

18. The Operation Fresh Start (OFS) program replication initiative is based on a long-running Madison program of the same name that is designed to provide at-risk young people with education, employment skills and career direction leading to economic self-sufficiency. The purpose of the replication effort is to establish comparable projects throughout the state using the Madison program as the model.

19. In a pilot effort to expand the OFS program to other venues in the state during the 1998-99 fiscal year, the Governor directed DOA's Division of Housing and Intergovernmental Relations to commit base level resources to fund at least two replication projects. The Division subsequently allocated \$530,000 from monies available under the federal Home Investment Partnership (HOME) program and from the Wisconsin Housing and Economic Development Authority (WHEDA) to fund two new OFS-type projects, one in the Eau Claire area and one in Waushara County.

20. Under the provisions of 1999 Wisconsin Act 9 (the 1999-01 biennial budget) \$232,000 GPR annually for Operation Fresh Start replication projects was placed in the Joint Committee on Finance's GPR supplemental appropriation to be reserved for future release to the Division of Housing in DOA under s. 13.10 procedures, once total actual funding commitments for

replication projects were known and secured. The Division was to assemble total funding commitments of \$2 million (including the \$232,000 GPR in the Committee's appropriation) from government funding sources. DOA was able to acquire funding commitments of approximately \$1.7 million in 1999-00 and the Committee released the GPR funding to DOA under s. 13.10. Subsequently, additional funds were reallocated from the 1998-99 OFS pilot program. As a result, DOA was able to make grants to 10 different OFS replication projects in 1999-00. The projects are located in the cities of Fond du Lac, Wautoma, Milwaukee (2), Hayward, Portage, Wausau and Augusta, the town of Glidden and Jackson County. In 2000-01, DOA assembled about \$2.2 million (including the \$232,000 GPR in the Committee's appropriation) and the Committee again released the funding under s. 13.10 procedures. The funding was used to continue support for the 10 OFS replication projects.

21. DOA uses existing staff in the Division of Housing to administer the OFS replication projects and Madison OFS staff assists DOA in its administrative activities. Staff is responsible for providing technical support and sending, reviewing and approving applications for grants. There is no ongoing permanent funding source for the OFS replication initiative. DOA has been able to obtain funding from the following sources: (a) federal HOME program; (b) oil overcharge funds; (c) Office of Justice Assistance (OJA) Juvenile Accountability Incentive Block Grant; (d) OJA Challenge Grant funds; (e) Department of Corrections funding; (f) AmeriCorps funding; (g) WHEDA funding; (h) Health and Family Services funding; and (i) Wisconsin Conservation Corps funding. In addition, the sale of rehabilitated housing is expected to provide a source of revenue for the OFS replication projects.

22. The Madison Operation Fresh Start program is aimed at increasing the self-esteem and self-sufficiency of youths and young adults (ages 16 to 24) who evidence alcohol and other drug abuse problems; poor health and nutrition; low educational achievement; poor employment history; physical, sexual and emotional abuse or criminal histories. The program offers an educational component where participants complete classes leading to a high school equivalency diploma and a vocational component where participants learn basic home construction, rehabilitation and remodeling skills. An additional focus of the work component of the program is to rehabilitate substandard housing into well-built, mechanically sound and affordable dwellings for low- and moderate-income homeowners. In the case of the Madison program, the sale of the rehabilitated housing stock has allowed major portions of the program to become largely self-supporting.

23. DWD would be required to work with the Madison OFS program to develop a plan to accomplish all of the following: (a) track the educational attainment of persons enrolled in the WCC program; (b) consolidate the functions of the WCC program; (c) add educational and training components to the WCC program; (d) provide a method for determining the location and number of crews working on WCC projects; and (e) improve the retention of persons enrolled in the WCC program.

Division of Community Services

24. Under the bill's provisions, total funding for the Division of Community Service Programs would be \$9,668,100 (\$1,726,500 GPR, \$3,736,700 FED, \$800,700 PR and \$3,404,200 SEG) in 2001-02 and \$9,204,400 (\$1,607,600 GPR, \$3,738,400 FED, \$805,900 PR and \$3,052,500 SEG) in 2002-03. The Division would be provided 18.0 positions in each year (3.0 GPR, 4.0 FED, 3.5 PR and 7.5 SEG).

25. The Governor's Budget in Brief states that the consolidation of the youth community service programs into a new division within DWD would permit a more effective and efficient use of resources and a sharing of best practices. The executive budget book indicates that the organizational structure would permit a more efficient and operation of these programs. DOA indicates that the new Division would combine in a single unit of government a number of similar programs that currently do not completely fit into their organizations in the executive branch of government.

26. DWD's functions listed in its budget request include: (a) assisting employers looking for workers and people looking for jobs; (b) developing training opportunities to improve job skills of Wisconsin residents in order to help business and industry meet skilled workforce needs; (c) providing leadership among state agencies on the development of employment and training policy and planning; and (d) coordinating local planning and effective delivery of labor exchange and employment and training program services.

27. The NCSB is attached to Department of Health and Family Services through an MOU. DHFS provides a GPR match for federal funds and in-kind services to NCSB by DHFS staff who devote a portion of their time to activities relating to the NCSB. In-kind services include typing, accounting, procurement, space, systems management, telephones, copying central files and other similar services. DOA provides general administrative back up.

28. As noted, the Alliance for Wisconsin Youth is responsible for America's Promise activities for the state and, as a result, promotes many human service activities similar to AmeriCorps programs. The Alliance provides NCSB with access to volunteer organizations and promotes NCSB programs to the various groups. Currently, the Alliance is using mini-grants as a match for federal AmeriCorps funding for 20 AmeriCorps members.

29. The Executive Director of the WCC is an ex officio member of NCSB. In past years, AmeriCorps members have worked on WCC projects. WCC Corps members are eligible for AmeriCorps education grants.

30. There are certain differences in the functions of the organizations that would be included in the Division of Community Services. The WCC directly hires, manages and trains the youth who become Corps members. The program is a state program funded with state tax revenues and the Legislature can determine the level of funding and provisions governing the program. Moreover, the WCC was originally created to perform forestry and conservation projects. WCC

crews typically work on projects that involve physical activity like construction, tree planting and weatherization. A substantial portion of Corps activities is funded with state conservation fund monies and a large number of WCC projects are forestry-related. Conversely, the NCSB and Alliance for Wisconsin Youth generally administer federal grant monies. Funds are distributed based on federal guidelines and local organizations generally select and manage youth in community service projects. Community service projects can include teaching and mentoring, in addition to other more physical activities, OFS replication projects are focused specifically on housing rehabilitation. The other programs that would be transferred do not have such a specific project focus.

31. The WCC Board would be changed to a council with advisory authority only. As a result, the Division of Community Services Programs Administrator would determine which WCC projects were undertaken. Currently, the six-member WCC Board decides on WCC projects. Some would argue that the current system of determining projects through Board activity allows for more public input.

32. As noted, the Alliance is, in part, a youth anti-drug program. DWD does not directly operate substance abuse programs. The Department is required to provide W-2 recipients with access to such programs, but generally contracts with DHFS or other organizations for such services.

33. NCSB has performed its activities with a significant degree of independence from other state agency activities. It could be argued that if the NCSB is not transferred to DWD, the Board could maintain a greater degree of independence regarding its goals and strategies and the types of projects that would receive funding.

34. The administration has argued that consolidating the NCSB, WSC, WCC and Alliance in a single unit would lead to a more efficient operation of these programs. However, all of the current permanent positions in these organizations would be transferred to the Division and an additional position would also be provided (1.0 FED, \$41,800 FED in 2001-02 and \$47,300 FED in 2002-03). The position would be funded with federal NCSB monies and provide administrative support to the NCSB and other Division programs and leverage additional federal funding. The Board currently has 3.0 permanent positions and a project position for administrative functions. The Executive Director is responsible for oversight and implementation of NCSB programs including public outreach and communication activities. A senior program officer and program officer administer AmeriCorps funds and programs and administer other NCSB programs. The project position would provide accounting services. In addition, 2.0 positions would be provided through the Alliance and 11.0 positions would be provided through the WCC to staff the new Division. Since each of the transferred programs operated effectively without the additional position before the transfer, it could be argued that additional staff would not be necessary to administer the programs when consolidated in a single unit. Consequently, the Committee may wish to eliminate the position to recognize efficiencies from consolidating the programs in a single Division.

35. A total of 3.0 permanent FED positions and funding of \$340,600 in 2001-02 and \$337,100 in 2002-03 would be transferred with NCSB from DOA to DWD. In April 2001, the Board was authorized 1.0 FED project position ending on October 31, 2002. The position would provide accounting services. Although the bill would transfer NCSB funding and permanent positions to the new Division, the project position was not transferred in the bill. The Committee may wish to transfer the position authority to recognize transfer of all Board functions to DWD. Funding would be provided from existing expenditure authority.

ALTERNATIVES TO BILL

1. Approve the Governor’s request to provide \$48,500 GPR, 0.50 GPR position, 3.00 FED positions, and 2.50 PR positions annually, and \$3,736,700 FED and \$308,100 PR in 2001-02, and \$3,738,400 FED and \$313,300 PR in 2002-03 to create the Division of Community Service Programs in DWD. [The Division would consist of: (a) the Wisconsin Conservation Corps; (b) the National and Community Service Board; (c) the Alliance for Wisconsin Youth; (d) the Wisconsin Service Corps; and (e) Operation Fresh Start replication programs.] Require the Division to work with Operation Fresh Start in Dane County to develop a plan to improve WCC operations.

2. Modify the Governor’s request by adopting any of the following:

a. Delete 1.0 FED position and \$41,800 FED in 2001-02 and \$47,300 FED in 2002-03. (This would delete the new administrative position that would be created under the bill.)

Alternative 2a	FED
2001-03 FUNDING (Change to Bill)	- \$89,100
2002-03 POSITIONS (Change to Bill)	- 1.00

b. Transfer 1.0 FED two-year project position from DOA to DWD to reflect transfer of NCSB to the new Division of Community Service Programs.

3. Modify the Governor’s request to transfer one or more of the following entities to the Division of Community Services Programs in DWD:

- a. The National Community Service Board
- b. The Alliance for Wisconsin Youth
- c. The Wisconsin Service Corps
- d. The Wisconsin Conservation Corps and Board
- e. Operation Fresh Start replication programs

4. Require the new Division of Community Services Programs to work with Operation Fresh Start in Dane County to develop a plan to improve WCC operations.

5. Maintain current law. This option would reduce funding by \$41,800 FED in 2001-02 and \$47,300 FED in 2002-03 and eliminate 1.0 FED position annually. The remaining funding and positions would remain in the agencies in which they currently reside.

<u>Alternative 4</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$97,000	- \$7,475,100	- \$621,400	- \$8,193,500
2002-03 POSITIONS (Change to Bill)	- 0.50	- 3.00	- 2.50	- 6.00

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