



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #114

National and Community Service Board Increase (Administration -- General Agency Provisions)

[LFB 2023-25 Budget Summary: Page 26, #12]

CURRENT LAW

Serve Wisconsin, Wisconsin's National and Community Service Board (NCSB), has a mission to promote service, provide training, and allocate resources to programs that enrich lives and communities through service and volunteerism. The organization works with AmeriCorps programs and volunteers. AmeriCorps is the federal agency that connects individuals and organizations to address the nation's challenges through service and volunteerism.

Current law appropriates monies received from the federal Corporation for National and Community Service (AmeriCorps) to administer the national and community service program. Expenditures from the Department's NCSB federal aid for administration continuing appropriation are limited to the amounts in the appropriation schedule. Base funding for the appropriation is \$1,165,600 FED and 7.0 FED positions annually.

State funding for NCSB serves as a match for federal grants to NCSB, and is provided through DOA's PR appropriation for NCSB administrative support. Statute specifies that state expenditures from the NCSB administrative support appropriation be recovered from assessments to the following four state agencies, in equal amounts: DOA, Health Services, Public Instruction, and Workforce Development. Base funding for the appropriation is \$337,200 PR and 1.0 PR position annually.

DISCUSSION POINTS

1. The Department of Administration indicates that it has received increases in its three-year allocations for the Commission Support Grant (CSG), the main administrative grant for NCSB,

from 2013 to 2021. Specifically, the change in funding between the 2016-18 award (\$958,400) and the 2019-21 award (\$1,059,400) was 10.5%. As a result, Serve Wisconsin has expanded programming, which has consequently increased its expenditures for supplies and services (including for contractual services, enterprise assessments for DOA services such as financial and procurement services, and overhead). The Department anticipates CSG funding may continue to grow with increased program needs and potential funding availability. According to the 2023 CSG notice of funding document, grants require a 50% match (as defined by AmeriCorps, a dollar-for-dollar match) from states. Increases in award amounts result in proportionate increases in the required match amounts.

2. From 2014 to 2017, Serve Wisconsin received funding through an AmeriCorps Volunteer Generation Fund (VGF) grant, which invests in volunteer management practices that increase both volunteer recruitment and retention. In 2020-21, Serve Wisconsin began to again receive funding from the VGF grant program. Serve Wisconsin has utilized funding to provide subgrants to five organizations for volunteer disaster response and recovery activities. The Department indicates that it expended \$182,800 in 2020-21 and \$246,700 in 2021-22 for supplies and services for the grant program, primarily for contractual services, including subgrants. Match requirements for the VGF grant are 20% in the first year; 30% in the second year; 40% in the third year; and 50% in the fourth year and any later year in which a recipient receives a VGF grant. As a result, it is technically in its sixth year of the grant program, and the match requirements for 2023-24 and 2024-25 will be 50% (dollar-for-dollar match).

3. The federal fiscal year 2023 VGF grant award is \$298,800. Currently, Serve Wisconsin is applying for a lesser amount of VGF funding than is available from AmeriCorps due to a limited ability to administer the program with current staffing levels as well as an inability to match additional funds at the state or subgrantee level. The program is currently provided 7.0 FED positions and 1.0 PR position. However, Serve Wisconsin aims to take advantage of the greater amount of VGF funding available and expand programming by applying for additional funds. According to DOA, if additional funds were applied for and awarded, a full-time position would be needed to administer the expanded program. If the PR funding and position authority were provided, it is anticipated that Serve Wisconsin could apply for an additional \$61,300 FED in 2023-24 and \$81,800 FED in 2024-25, which is equivalent to the PR amounts provided for the position. Additional funding would be used to support a greater number of projects and possibly to increase subgrant amounts.

4. Under Assembly Bill 43/Senate Bill 70, \$25,000 GPR in 2023-24 and \$30,100 GPR in 2024-25 would be provided to DOA's general program operations appropriation, and \$99,900 PR in 2023-24, \$120,400 PR in 2024-25, and 1.0 PR position annually would be provided to the NCSB administrative support PR appropriation. The table below shows the cost components of the PR funding increases under AB 43/SB 70.

**Cost Components of Serve Wisconsin
PR Funding under AB 43/SB 70**

<u>Item</u>	<u>2023-24</u>	<u>2024-25</u>
Salary and Fringe Benefits (VGF Position)	\$53,800	\$71,800
Supplies and Services (VGF Position)	7,500	10,000
Other Supplies and Services, CSG Match	<u>38,600</u>	<u>38,600</u>
Total	\$99,900	\$120,400

5. Under the bill, the GPR amounts of \$25,000 in 2023-24 and \$30,100 in 2024-25 represent one-fourth of the PR increases (\$99,900 in 2023-24 and \$120,400 in 2024-25). As noted previously, the NCSB administrative support appropriation is funded from assessments of equal amounts to four state agencies: DOA, Health Services, Public Instruction, and Workforce Development. The Department of Administration pays this assessment from its general program operations GPR appropriation. However, DOA indicates that it would not be able to support its share (one-fourth) of the increased assessments without a corresponding increase in GPR expenditure authority in that appropriation in the 2023-25 biennium.

6. Additionally, the bill would modify the NCSB federal aid for administration appropriation from a continuing appropriation that is limited to the amounts in the schedule to an appropriation that allows the expenditure of all monies received. The bill would reestimate expenditures for the appropriation by \$72,000 FED in 2023-24 and \$82,800 FED in 2024-25 to correspond with increased expenditures for the CSG and VGF grants. The Department identified the amounts for the reestimates by calculating the average increase in supplies and services between 2017-18 and 2021-22, which was approximately 15%, and projecting future expenditures for supplies and services based on the average 15% increase.

7. Because the NCSB federal aid for administration appropriation is limited to the amounts in the schedule of appropriations, when Serve Wisconsin receives federal funding amounts greater than the amounts listed, DOA is required to seek an increase in expenditure authority under passive review (s. 16.515 of the statutes). In 2021-22, the Department submitted two passive review requests to increase expenditure authority in the appropriation. On September 10, 2021, DOA requested \$292,500 in 2021-22 and \$238,500 in 2022-23 in additional expenditure authority. On March 16, 2022, DOA requested \$45,900 in 2021-22 and \$327,500 (of which only \$228,600 was ongoing) in 2022-23 in additional expenditure authority. Both requests were approved by the Joint Finance Committee.

8. Given that NCSB has received increased CSG funding, resulting in increased supplies and services expenditures and a higher match requirement, and has the potential to accept additional federal funding for the VGF grant, which would require additional administrative support, the Committee could provide \$25,000 GPR in 2023-24 and \$30,100 GPR in 2024-25 to DOA's general program operations appropriation, and \$99,900 PR in 2023-24, \$120,400 PR in 2024-25, and 1.0 PR position annually to the NCSB administrative support PR appropriation. Additionally, the Committee

could modify the NCSB federal aid for administration appropriation from a continuing appropriation that is limited to the amounts in the schedule to an appropriation that allows expenditures of all monies received, allowing Serve Wisconsin to expend the full amount of federal funding it receives without needing to seek approval under s. 16.515 of the statutes. Further, a reestimate of \$72,000 FED in 2023-24 and \$82,800 FED in 2024-25 could be provided for the NCSB federal aid for administration appropriation. [Alternative 1]

9. Alternatively, the Committee could choose to provide additional funding and position authority, while maintaining the NCSB federal aid for administration appropriation as a sum certain continuing appropriation that is limited to the amounts in the schedule. [Alternative 2]

10. Finally, the Committee could take no action. [Alternative 3] According to DOA, without additional expenditure and position authority, the VGF program would continue at its current level of operation, and DOA would not be able to accept any future increases in the CSG award. The Department indicates that maintaining the language of the federal NCSB appropriation would result in DOA continuing to submit passive review requests for additional expenditure authority under s. 16.515 of the statutes. According to DOA, if such passive review requests were not approved, the Department may need to return accepted funding to AmeriCorps.

ALTERNATIVES

1. Provide \$25,000 GPR in 2023-24 and \$30,100 GPR in 2024-25 to DOA's general program operations appropriation, and \$99,900 PR in 2023-24, \$120,400 PR in 2024-25, and 1.0 PR position annually to the NCSB administrative support PR appropriation to fulfill match requirements and provide additional administrative support. Modify the NCSB federal aid for administration appropriation from a continuing appropriation that is limited to the amounts in the schedule to an appropriation that allows expenditures of all monies received. Provide reestimates of \$72,000 FED in 2023-24 and \$82,800 FED in 2024-25 for the NCSB federal aid for administration appropriation.

ALT 1	Change to Base	
	Funding	Positions
GPR	\$55,100	0.00
FED	154,800	0.00
PR	<u>220,300</u>	<u>1.00</u>
Total	\$430,200	1.00

2. Provide \$25,000 GPR in 2023-24 and \$30,100 GPR in 2024-25 to DOA's general program operations appropriation, and \$99,900 PR in 2023-24, \$120,400 PR in 2024-25, and 1.0 PR position annually to the NCSB administrative support PR appropriation to fulfill match requirements and provide additional administrative support. Provide \$72,000 FED in 2023-24 and \$82,800 FED in 2024-25 for the NCSB federal aid for administration appropriation.

ALT 2	Change to Base	
	Funding	Positions
GPR	\$55,100	0.00
FED	154,800	0.00
PR	<u>220,300</u>	<u>1.00</u>
Total	\$430,200	1.00

3. Take no action.

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