



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #1030

Wisconsin Conservation Corps -- Corps Member Benefits (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 2001-03 Budget Summary: Page 728, #12 and Page 729, #13]

CURRENT LAW

Wisconsin Conservation Corps (WCC) members who successfully complete six months to one year of service are eligible to receive either a cash bonus of \$500 or an education voucher that is worth at least \$1,000, but not more than \$2,800.

Under current law, the WCC Board is authorized to provide group health care coverage to: (a) individuals who have been crew leaders or regional crew leaders for at least two years; and (b) crew leaders or regional crew leaders who discharge special responsibilities as determined by the Board.

GOVERNOR

Increase the period for which an education voucher can be used from three to four years from the date it is issued.

Reduce from two years to six months the period of time an individual must be a crew leader or regional crew leader to be eligible for health care.

DISCUSSION POINTS

1. All WCC corps members are employed outside of the state civil service and are paid wages statutorily set at the higher of the state or federal minimum wage (currently \$5.15 per hour). Assistant crew leaders, crew leaders and regional crew leaders may be paid more than the

prevailing federal minimum wage or applicable state minimum wage. All corps members are covered by worker's compensation. In general, corps members are not eligible for health care benefits or other fringe benefits provided to state employees. However, the WCC Board is authorized to provide group health care coverage to: (a) individuals who have been crew leaders or regional crew leaders for at least two years; and (b) crew leaders or regional crew leaders who discharge special responsibilities as determined by the Board. Finally, WCC members who successfully complete six months to one year of service are eligible to receive either a cash bonus of \$500 or an education voucher that is worth at least \$1,000, but not more than \$2,800.

2. The education voucher may be used for payment of tuition and required program activity fees at any institution of higher education in the state, including vocational, technical or other training schools. The corps member has three years after the date of issuance to use the voucher for payment of tuition and required fees, regardless of the school attended. The voucher is prorated based on the number of hours worked for eligible corps enrollees. A maximum of four education vouchers can be earned by corps members.

3. The WCC has approximately 50 crews conducting projects throughout the state. Each crew typically consists of four to six corps members and a crew leader. The WCC hires and trains the crew leader who is responsible for supervising the crew and certain administrative responsibilities.

4. The normal enrollment period for a corps member is one year, however, the WCC Board may authorize extending the enrollment period for up to an additional year. Assistant crew leaders are normally hired for two years, but the period can be extended by the Board up to three months in order to complete a project. The usual employment period for a crew leader is two years. The WCC Board may extend the employment of a crew leader beyond two years if the individual possesses special experience, training or skills valuable to the WCC. The Board may extend the employment of a regional crew leader for an unlimited time.

5. Extending from three to four years the time period over which education vouchers may be used would be of primary benefit to crew leaders. Often, crew leaders work for four years. This change would allow crew leaders to earn the four education vouchers available under current law and to accumulate and use all of them. In addition, the extension would provide more time in which corps members could use their vouchers.

6. The state and federal governments currently offer grants and low-interest loans to provide a means by which low-income persons can attend institutions of higher education. Most former WCC enrollees would qualify for additional types of financial assistance to support the costs of higher education. WCC members are specifically eligible for AmeriCorps education awards of up to \$4,725.

7. The budget bill would not provide additional funding to cover the costs of extending the period over which an educational voucher could be used from three to four years.

Annual base funding for vouchers is \$138,600 GPR and \$123,100 SEG and it is estimated that this amount would be sufficient to cover the cost of extending the voucher use period.

8. The appropriations which fund education vouchers are biennial; any unencumbered balances in the appropriations at the end of the biennium lapse to the general fund. Based on information from the current crew leader roster, it is estimated that increasing the period during which the education voucher could be used would increase annual expenditures by about \$15,000 a year. However, the extension would first be applicable to vouchers that would be used in the second year of the 2001-03 biennium. As a result, the lapse of unencumbered education voucher funding at the end of the 2001-03 biennium would be reduced by \$15,000.

9. As an alternative, the Committee could elect to deny the extension in the use period and delete \$15,000 GPR annually from corps enrollee funding.

10. As noted, the bill would extend health care coverage to crew leaders who have worked for the WCC for six months. The WCC indicates that the lack of health care coverage for two years has hurt recruitment. In interviews with crew leader candidates, the individuals noted that health care benefits were a major factor in job decisions.

11. Under current provisions, crew leaders receive certain benefits because of their status. Crew leaders are paid substantially more than corps members and, as noted, are eligible for health insurance coverage after two years. Crew leaders are provided specialized training and also are placed in a supervisory position. State agency LTEs that work less than one year must pay 50% of their health insurance costs. Crew leaders work an average of about 20 months. An argument could be made that expanding health care coverage to short-term crew leaders would provide those individuals with a better benefit than LTEs at other state agencies.

12. The bill does not provide additional funding to cover the cost of expanding health insurance coverage for crew leaders. Rather, the additional cost would be paid out of base level crew operations funding. Since the appropriations which provide this funding are biennial, the unencumbered balances at the end of the biennium lapse to the general fund. Again, based on information from the current crew leader roster, it is estimated that the health insurance provision would reduce the lapse by \$180,000 in 2002-03. Alternatively, annual crew operations funding could be reduced by \$90,000 in each year.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendation to increase the period for which an education voucher can be used from three to four years from the date it is issued. Reduce from two years to six months the period of time an individual must be a crew leader or regional crew leader to be eligible for health care insurance coverage. Reduce the estimated 2002-03 lapse to the general fund by \$195,000.

<u>Alternative 1</u>	<u>GPR</u>
2001-03 REVENUE (Change to Bill)	- \$195,000

2. Delete the Governor's recommendation to increase the period for which an education voucher could be used to four years and delete \$15,000 GPR annually in funding for education vouchers.

<u>Alternative 2</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	- \$30,000

3. Delete the Governor's recommendation to reduce from two years to six months the time for which a crew leader must work to be eligible for health insurance and delete \$90,000 GPR annually in base level funding that would be used for increased health insurance costs.

<u>Alternative 3</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	- \$180,000

4. Maintain current law.

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