



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #811

### Increase Funding for the Division of Equal Rights (DWD)

[LFB 2011-13 Budget Summary: Page 537, #4]

#### CURRENT LAW

Under current law, base funding of \$5,816,300 GPR is provided for the Department of Workforce Development's (DWD) workforce development general program operations appropriation. Funding in this appropriation provides \$4,802,100 to the Division of Equal Rights (ERD) and \$1,014,200 to the Division of Employment and Training (DET). ERD generally investigates and enforces violations of state laws regarding discrimination, as well as violations of labor standards. DET provides certain services to employers and employees, such as coordinating the dislocated worker program, adult and youth apprenticeship program, hosting job fairs, and providing job centers to aid workers in their job search.

#### GOVERNOR

Reduce funding for DWD's workforce development general program operations appropriation by \$208,400 GPR, annually, as shown below.

	<u>Annual Amount</u>	<u>Change to Base</u>
Division of Equal Rights	\$4,677,800	-\$124,300
Division of Employment and Training	<u>930,100</u>	<u>-84,100</u>
Total:	\$5,607,900	-\$208,400

#### DISCUSSION POINTS

1. Following introduction of the budget bill, DWD and the Department of Administration (DOA) requested increased funding for ERD. The increased funding would be used

to update information technology (IT) infrastructure. According to DWD, scheduled technological enhancements, such as migrating to Windows 7, will require IT upgrades in order to support three central data base systems maintained by ERD, beginning October, 2011. DWD had planned on using program revenues generated from child labor permit fees to offset the cost of upgrading the database systems; however, permit fees have generated fewer revenues than anticipated and the Department has prioritized updating these database systems. The Department is requesting an additional \$264,300, annually, for IT infrastructure upgrades for ERD.

2. According to the administration, DWD has identified \$167,100 of proposed reductions in DET that can be reallocated to ERD within the workforce development general program operations appropriation. This reallocation of funds would partly offset the increased cost of IT infrastructure upgrades. The upgrade would be fully funded if an additional \$97,200 GPR annual funding were provided to ERD. Under this option, annual funding would be allocated between these two divisions in the following manner:

	<u>Annual Amount</u>	<u>Change to Base</u>	<u>Change to Bill</u>
Division of Equal Rights	\$4,942,100	\$140,000	\$264,300
Division of Employment and Training	<u>763,000</u>	<u>-251,200</u>	<u>-167,100</u>
Total	\$5,705,100	-\$111,200	\$97,200

## ALTERNATIVES

1. Approve the Governor’s original proposal. Provide no change to DWD's workforce development general program operations appropriation.

2. Provide annual funding for the workforce development general program operations appropriation of \$5,705,100 GPR, which would be split between ERD and DET in the amounts of \$4,942,100 and \$763,000, respectively, for 2011-12 and 2012-13. Compared to the bill, funding would be increased by \$97,200 GPR, annually.

ALT 2	Change to Bill Funding
GPR	\$194,400

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