

WISCONSIN'S WORKFORCE DEVELOPMENT FUNDING

compiled by Vicki Tobias, Wisconsin Council on Children and Families

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Wisconsin Workforce Development and Training Programs - Funding Amounts

All amounts listed are for FY 2002, unless otherwise noted.

Program	Total Federal Funding	Wisconsin's Share
<i>Temporary Assistance for Needy Families (TANF)*</i>	\$16,500,000,000	\$316,882,300
<i>Wisconsin Works (W-2)</i>	<i>n/a (TANF and MOE funds)</i>	
• TANF Carry-Over**		\$152,948,600
• Childcare Block Grant	\$4,817,000,000	\$61,598,200
• State GPR for W-2 and Childcare		\$158,002,800
<i>Welfare to Work (WtW)</i>	\$1,500,000,000 (FY 1999)	<i>Federal Allocation: \$12,032,182</i> <i>Matching Funds: \$6,016,091</i> (FY 1999)
<i>Workforce Investment Act (WIA)</i>		
WIA Title I***	\$7,253,930,000	\$39,704,972
WIA Title II - <i>Adult Education and Family Literacy Act (AEFL)****</i>	\$461,042,109 (FY 2003)	\$6,933,871 (FY 2003)
WIA Title III - <i>Wagner-Peyser Act</i>	\$761,735,000	<i>not reported</i>
WIA Title IV - <i>Vocational Rehabilitation Services*****</i>	\$2,493,960,000	\$50,234,829
Carl D. Perkins Vocational and Technical Education Act*****	\$1,288,000,000	\$25,401,106
<i>Food Stamp Employment and Training Act (FSET)</i>	\$90,000,000	\$4,406,300
<i>Job Access and Reverse Commute Program (JARC)</i>	\$109,339,000	\$5,200,000
Reed Distribution Act	\$8,000,000,000	\$166,214,419
Total	\$43,275,006,109	\$1,005,575,670

* TANF Block Grant, TANF High Performance Grant, and TANF carryover combined

** Carry-over from previous years spent in FY202.

*** Adult, Dislocated Worker, and Youth combined.

****Adult Education, English Literacy, and Civics combined.

*****Basic Support and Supported Employment combined.

*****Basic and Tech-Prep grants combined.

Wisconsin Workforce Development and Training Programs - Target Populations

Program	Target Population
<i>Temporary Assistance for Needy Families (TANF)</i>	Needy families, single and teen parents, unemployed or displaced workers, needy children and youth, and other populations.
<i>Wisconsin Works (W-2)</i>	W-2 offers cash assistance to parents with dependent children who meet financial and non-financial eligibility requirements. Other W-2 assistance, such as case management, job placement, childcare assistance and referrals to other appropriate resources, is offered to both custodial parents and non-custodial parents of children in W-2 families, pregnant women, and minor parents. TANF is the primary source of revenue for W-2.
<i>Welfare to Work (WtW)</i>	Long-term TANF recipients and non-custodial parents or their counterparts who face significant barriers to employment. Recipients of child care subsidies and non-custodial parents of children receiving W-2/TANF and child care payments.
<i>Workforce Investment Act (WIA)</i>	
WIA Title I	Adults who have been permanently laid off, who have received notice of termination, or who are displaced homemakers; and youth (ages 15-21) who: are school dropouts, are homeless, are runaway or foster children, are pregnant; have a parent who is an offender, or requiring assistance completing education or securing/holding employment.
WIA Title II <i>Adult Education and Family Literacy Act (AEFL)</i>	Individuals between the ages of 18 and 64 who have not received a high school diploma or equivalent certification and/or have no more than an eighth grade education.
WIA Title III <i>Wagner-Peyser Act</i>	Job seekers who are Veterans receive priority referral to jobs and training as well as special employment services and assistance. In addition, the system offers specialized attention and services to individuals with disabilities, migrant and seasonal farm-workers, ex-offenders, youth, minorities, and older workers.
WIA Title IV <i>Vocational Rehabilitation Services</i>	Individuals a) with a physical or mental impairment that is a substantial impediment to employment, b) who benefit from Vocational Rehabilitation services, and c) who require Vocational Rehabilitation services to prepare for, enter, engage in, or retain gainful employment that is consistent with an individual's strengths, resources, priorities, abilities, and informed choice.
<i>Carl D. Perkins Vocational and Technical Education Act</i>	Individuals seeking secondary or post-secondary education. Funds must be allocated to designated "special populations" identified as: individuals with disabilities; individuals who are economically disadvantaged; individuals preparing for nontraditional training and employment; single parents, including single pregnant women; displaced homemakers; individuals who are academically disadvantaged; and individuals with limited English proficiency.
<i>Food Stamp Employment and Training Act (FSET)</i>	Unemployed Food Stamp program participants, aged 18 to 49, without dependents, who are able to work.
<i>Job Access and Reverse Commute Program (JARC)</i>	TANF recipients and other low-income individuals.
<i>Reed Distribution Act</i>	Unemployed workers who qualify for <i>Unemployment Insurance (UI)</i> benefits.

1. Temporary Assistance for Needy Families (TANF)

Background: On August 22, 1996, "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (PRWORA) changed the nation's welfare system into one requiring work in exchange for time-limited assistance. It created the *Temporary Assistance for Needy Families* (TANF) program, which replaced *Aid to Families with Dependent Children* (AFDC). States receive TANF funding to implement and administer programs aimed at reducing dependence on welfare benefits in accordance with PRWORA. States have two primary funding sources for their TANF programs: the annual federal TANF block grant, and their annual state *Maintenance of Effort* (MOE) funds.

In general, TANF provides support for programs related to work-related activities, child care, transportation, education and training, mental health and substance abuse, domestic violence, developmental and learning disabilities, enhancing or supplementing family income or assets, child welfare, family formation and pregnancy prevention, and community development.

Wisconsin was the first state in the nation to submit its state plan for the TANF block grant. Wisconsin uses TANF funding for more than 40 programs, such as *Wisconsin Works* (W-2), childcare, transportation, education and training, and others designed to assist low-income families. W-2 remains Wisconsin's core TANF program.

The TANF program provides flexibility for funding a wide variety of activities, supportive services, and benefits to accomplish its four core purposes. A state may use its TANF or MOE funds for services and benefits that directly lead to (or can be expected to lead to) the accomplishment of one of the following four core purposes, to:

- provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

Funding: The initial block grant provided states and tribes \$16.5 billion in federal funds each year, through FY 2002. This amount covers benefits, administrative expenses, and services targeted to needy families. Wisconsin's annual TANF block grant allocation is approximately \$316 million.

TANF is scheduled for reauthorization in FY 2003, though as of this writing the program has been operating under a series of continuing resolutions as Congress struggles to agree on reauthorization legislation.

A key provision of the TANF block grant is a *Maintenance of Effort* (MOE) requirement, which obligates the state to spend an amount of state dollars equal to 75 percent of historic state expenditures (if meeting federal mandatory work requirements) or 80 percent (if unable to meet these requirements). Wisconsin's MOE requirement is approximately \$168.4 million, based on 75 percent historic state expenditures.

Federal Block Grant Funds: State, local, and Tribal TANF agencies, or private organizations providing services under contract with the TANF agency, may use federal TANF funds to support TANF's four core purposes or special activities such as juvenile justice and certain child welfare and foster care activities that were authorized by waivers granted to states prior to PRWORA. A state may continue to provide most of these services or benefits until the waivers expire, notwithstanding their consistency with TANF requirements.

Additionally, a State may transfer a total of up to 30 percent of its TANF funds for a fiscal year to the *Child Care Development Fund* (CCDF) and the *Social Services Block Grant* program (SSBG).

MOE Funds: A state must use all of its MOE funds to help eligible families. Eligible families must meet two criteria: (1) include a child living with his or her custodial parent or other adult caretaker relative (or a pregnant woman); and (2) be financially eligible according to the appropriate income/resource standards established by the state in its TANF plan. Eligible families includes those eligible for TANF assistance, as well as those who would be eligible, but for the time limit on the receipt of federally funded assistance or PRWORA's restrictions on benefits to immigrants.

Qualified activities to help *eligible families* include:

- cash assistance;
- child care assistance;
- educational activities to increase self-sufficiency, job training and work;
- administrative costs in connection with any of these activities, subject to a 15 percent limitation (see below);
- any other services or benefits that are reasonably calculated to accomplish a purpose of the TANF program.

States may spend their MOE funds either a) commingled with federal funds and expended in the TANF program; b) segregated from Federal funds, but spent in the TANF program; or c) in separate State programs, operated outside of the TANF program.

Each state is subject to separate 15 percent cap on the amount of the federal and *Maintenance of Effort* (MOE) funds it may spend on administrative activities. Information technology costs related to monitoring and tracking of TANF requirements are excluded from both these caps.

Funding Amounts

	FY 2001-2002**	FY 2002*	FY 2002-2003**
Federal (to all states)		\$22 billion*	
State			
<i>TANF Block Grant</i>	\$316,882,300		\$317,505,200
<i>TANF High Performance Block Grant</i>	\$0		\$14,320,700
<i>TANF Carryover</i>	\$ 283,825,100		\$152,948,600
Total State Funding	\$600,707,400		\$484,774,500

* U.S. Department of Health and Human Services. Administration for Children and Families-TANF.

www.acf.dhhs.gov/programs/ofa/funds2.htm#appropriate

** Wisconsin Works (W-2) and Other Economic Support Programs. Legislative Fiscal Bureau Report. January 2003. Page. 45.

Programs/Services Funded: In FY 2002-2003, TANF money funded the following Wisconsin programs and services:

- Adolescent Services/Pregnancy Prevention
- Caretaker Supplement Program
- Child Abuse and Neglect Prevention Board
- Child Support Payments
- Child Welfare Prevention Services
- Child Welfare Safety Services
- Domestic Violence
- Earned Income Tax Credit
- English for Southeast Asian Children
- Food Stamps for Qualified Immigrants
- Funeral/Burials for Public Assistance Recipients
- Head Start
- Immunization
- Kinship Care
- Legal Services
- Literacy-Governor's Office
- Social Services Block Grant (SSBG) Supplement
- State Administration

- Transportation
- Urban/Rural Women's Substance Abuse Grants
- Wisconsin Works (W-2)

Target Population: In Wisconsin, TANF funds programs that assist needy families, single and teen parents, unemployed or displaced workers, needy children and youth, and other populations.

Native Americans: Federally recognized Indian tribes may apply directly to HHS to operate a TANF block grant program. Eligible tribes include the federally recognized tribes in the lower 48 states and 13 designated entities in Alaska. TANF allotments for Indian tribes are based upon previous state expenditures of federal dollars in AFDC, *Emergency Assistance* (EA), and JOBS on tribal members in fiscal year 1994. Like states, Indian tribes can use their TANF funding in any manner reasonably calculated to accomplish the purposes of TANF. They have broad flexibility to determine eligibility, method of assistance, and benefit levels. The federal government exercises more individual control over the development of tribal plans than is the case with state plans. Tribes and HHS must reach agreement on time limits, work requirements, and minimum participation rates.

Restrictions: TANF mandates that, in exchange for flexibility in designing appropriate programs and services, each state must be held accountable for moving families from welfare to self-sufficiency through work.

Each state must meet two separate work participation rates that reflect their success in engaging adults in work activities. The minimum participation rate for adults in all families (the overall rate) started at 25 percent in FY 1997, was 40 percent in FY 2000 and rises to 50 percent in FY 2002 and thereafter. The minimum participation rate for adults in two-parent families (the two-parent rate) was 75 percent in FY 1997 and FY 1998, but has increased to 90 percent. A State that fails to meet participation rates will be subject to a monetary penalty. These rates are under discussion and may be changed during the federal TANF reauthorization process in 2003.

Additionally, if a state fails one of the requirements, it may qualify for a reduced work penalty based on the "degree of noncompliance."

Reporting Requirements: States are required to collect and report the following information related to TANF programs and participants:

- Case-record information on individuals and families receiving assistance and families no longer receiving assistance;
- Information to assess performance related to the work requirements;
- Information to allow the Department of Health and Human Services to administer the penalty provisions;

- Other information required by section 411(a);
- Additional items necessary to operate a data collection system such as FIPS Codes;
- Information necessary to estimate the amounts to be paid to a state each quarter;
- Information on federal TANF, state TANF, and separate state program expenditures, for a variety of expenditure categories (such as assistance, administration, child care, refundable tax credits, transportation, work subsidies, education, pregnancy prevention activities, and family formation activities); and
- Data to carry out other financial management responsibilities.

Resources

[1] U.S. Department of Health and Human Services. Administration for Children and Families-TANF. www.acf.dhhs.gov/programs/ofa/funds2.htm.

[2] Wisconsin Department of Workforce Development: Temporary Assistance for Needy Families. www.dwd.state.wi.us/dws/programs/tanf/default.htm

[3] U.S. Department of Health and Human Services. Administration for Children and Families-TANF. www.acf.dhhs.gov/programs/ofa/funds2.htm#appropriate

[4] Wisconsin Legislative Reference Bureau. <http://www.legis.state.wi.us/lrb/>.

[5] Carrie Jakel. Wisconsin Legislative Fiscal Bureau.

[6] U.S. Department of Health and Human Services-TANF. www.hhs.gov/ocr/tanfintro.htm.

2. Wisconsin Works (W-2)

Background: *Wisconsin Works (W-2)* is Wisconsin's welfare replacement program. It was created to replace *Aid to Families with Dependent Children (AFDC)*, which was eliminated with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. W-2 is based on a hierarchical series of work placement categories. W-2 services include, but are not limited to: cash assistance, transportation, child care, short term basic education and vocational training, case management, motivational workshops, job readiness and placement, assessments and aptitude testing, work experience, wage subsidies, and job retention services for at least 60 days after placement. W-2 services available to eligible noncustodial parents include case management, job search assistance, basic skills training, and work training activities. Additionally, W-2 is designed to use private as well as public service providers, and establishes W-2 agency requirements based on performance standards as well as compliance with program rules.

The following eight principles guide W-2:

1. Substantially all citizens want to be able to support their families, want to be economically self sufficient, and want to be employable members of the workforce.
2. W-2 shall be participant friendly. Each W-2 agency shall explain the full spectrum of employment, education, and training and supportive services available to assist individuals and families to transition into the workforce. When individuals and families are given adequate information about employment services, they will make an informed choice about whether or not to pursue those services.
3. Individuals determined to be eligible for participation in W-2 are obliged to cooperate with their employability plans or face sanctions. W-2 agencies rendering the services are obliged to properly and carefully assess each individual's specific needs in order to promote success in transitioning into the workforce.
4. Families are the foundation of society and are the vehicle through which children are nurtured and protected. W-2 programs and policies designed to assist participants in family formation will be evaluated in light of how well they strengthen and promote healthy, nurturing, and economically secure families where both parents are responsible.
5. W-2 agencies will assist families with multiple barriers to employment, ensure that all participants have equal access to the full spectrum of resources, and avoid arbitrary and inappropriate sanctions.

6. All programs and services shall be rendered in a fair and just manner, including adverse actions such as denials and sanctions, and participants will be informed of their appeal rights.
7. Individuals are part of various communities of people and places. W-2 operates in ways that enhance the way communities support individual efforts to achieve self-sufficiency.
8. W-2 goals are best achieved by working with providers, who are committed to customer friendly service, who partner with employers and other service providers, who are innovative, and who strive to continuously improve the provision of service.

Participants in the W-2 program are assigned by the local W-2 agency to either unsubsidized employment or one of three types of subsidized employment. Agencies are directed to place a participant in the highest category appropriate for that individual

- *Unsubsidized Employment*: employment for which a W-2 agency provides no subsidy to the employer, including self-employment and entrepreneurship. There is no cash assistance available in this category, and it includes those the agency considers “job ready,” even when the individual is unemployed.
- *Trial Job*: a W-2 subsidized employment position that provides work experience and training that may become permanent unsubsidized employment. The W-2 subsidy for Trial Job participants is paid directly to the employer. In practice, this category is almost non-existent.
- *Community Service Job (CSJ)*: a W-2 work-readiness practice placement designed to improve the employability of participants by providing work experience and training in the public and private sectors.
- *W-2 Transition (W-2 T)*: a W-2 placement providing intensive services to improve the employability of participants with the most severe barriers.

Funding: The primary funding source for W-2 is the federal TANF block grant. Additional funding is provided by the federal childcare development block grant, state GPR appropriated to DWD, and other program revenues. Wisconsin’s annual TANF block grant allocation is approximately \$316 million.

A key provision of the TANF block grant is a *Maintenance of Effort* (MOE) requirement, which obligates the state to spend an amount of state dollars equal to 75 percent of historic state expenditures (if meeting federal mandatory work requirements) or 80 percent (if unable to meet these requirements).

Funding Amounts

	FY 2001-2002*	FY 2002-2003*
State		
<i>W-2 Agency Contract Allocations</i>		
Subsidized Employment	\$40,389,700	\$49,309,600
Benefits		
Administration/Services	\$106,903,300	\$99,221,600
Carryover Contracts	\$20,136,800	\$0
Local Agency Performance Bonuses	\$12,820,800	\$0
Community Reinvestment	\$18,310,700	\$5,539,700
<i>Childcare (direct and indirect)</i>	\$315,734,300	\$338,261,200

*Wisconsin Works (W-2) and Other Economic Support Programs. Legislative Fiscal Bureau Report. January 2003. Page 45.

Programs/Services Funded: In FY 2002-2003, the following programs and general services were funded through W-2:

- High Quality Demonstration Program
- Resource and Referral Agencies
- Technical Assistance
- Child Care tuition assistance (Wisconsin Shares)
- Safe Child Care
- Job Access Loans
- Transportation Assistance
- Children First
- Emergency Assistance
- Workforce Attachment and Advancement

Administration: W-2 is administered statewide by the *Department of Workforce Development* (DWD), which contracts with other agencies, public and private, to operate the program at the local level. DWD aims to offer W-2 participants "One-Stop" service through Job Centers.

Current statutes authorize DWD to award a contract to administer W-2 in a geographical area to anybody, based on a competitive process. In practice, local agencies operating W-2 that satisfy the Department's performance standards and other program rules have been given the right of first refusal for subsequent contracts.

W-2 participants are supposed to have access to all of the W-2 and supportive services they need at one location. If a family is eligible for W-2, they will work with a *Financial and Employment Planner* (FEP), who will assist them in all aspects of achieving self-sufficiency. The FEP will determine eligibility for W-2 and related supportive services and work options and provide intensive case management service for the family.

Contracts: DWD is authorized to award a contract to administer W-2 in a geographical area to anybody, based on a competitive process. County departments of human or social services and tribes were initially given the right of first refusal of contracts to administer the program providing they met certain caseload reduction goals. Subsequently, that right of first selection has been given to agencies already operating the program if they meet certain performance standards more closely related to employment goals and participant's receipt of appropriate services.

Agencies also risk having payments withheld for failure to meet a variety of performance standards established by DWD, although this is seldom invoked. W-2 agencies are subject to audit and must also provide any information DWD may request. For the 2002-03 contract period, W-2 agencies include 53 county human/social services agencies (with once county consortium of five counties), 14 counties outside of Milwaukee County that are served by private agencies, four private agencies operating in six regions in Milwaukee County, and one tribe.

Profit: For this first contract period, W-2 agencies were permitted to retain a portion of their contract funds that were unspent. Because of substantial caseload reductions, these initial contracts resulted in substantial profits for W-2 agencies. This formula has been revised for subsequent rounds of contracts so that bonuses are currently based upon performance standards related to placements in unsubsidized jobs, wage and benefit rates, job retention rates, placement of participants in other appropriate W-2 activities, whether job placements are full or part-time, agency compliance with program rules, and customer satisfaction. The amount of funding for performance bonuses is now determined by the biennial budget.

Sanctions: Grants for individuals placed in CSJs or W-2Ts are reduced by \$5.15 for every hour of required work or educational activity missed without good cause. Additional sanctions may be imposed for: refusal to participate in an employment position; failure to cooperate with child support requirements; other intentional program violations; or failing a drug test.

Target Population: W-2 offers cash assistance to parents with dependent children who meet financial and non-financial eligibility requirements. Other W-2 assistance, such as case management, job placement, and referrals to other appropriate resources, is offered to both custodial parents and non-custodial parents of children in W-2 families, pregnant women, and minor parents.

In order to be eligible for a W-2 employment position or job access loan, parents must meet certain nonfinancial and financial eligibility requirements described below.

Nonfinancial Eligibility

An individual must:

- be a custodial parent who is at least 18 years of age;
- be a Wisconsin resident;
- be a citizen or qualified legal alien;
- cooperate with attempts to establish paternity of dependent children and pursue support payments to which the child is entitled;
- provide all required information within seven working days of the request;
- have made a good faith effort to find a job, and not refused a job offer within the last six months;
- provide or apply for a social security number;
- report any changes in circumstances that may impact eligibility within 10 days;
- not be a fugitive felon, or in violation of probation or parole;
- assign to the state any right to support or maintenance from any other person;
- continue to search for unsubsidized employment;
- apply for other assistance programs or resources that may be available; and
not be receiving *Supplemental Security Income (SSI)* or *Social Security Disability Income (SSDI)*.

Financial Eligibility

A participant's W-2 group--which includes the individual, his/her spouse or nonmarital coparent, and any dependent children and grandchildren who reside together--may not have assets in excess of \$2,500, excluding: 1) a home and 2) vehicles up to \$10,000 in value.

The W-2 group's gross income, subject to a few exclusions, must be at or below 115 percent of the *Federal Poverty Level (FPL)*.

Restrictions: W-2 participation is limited to 60 months, which need not be consecutive. An extension may be granted under certain unusual circumstances. DWD has defined "unusual circumstance" by rule to include participants with severe disabilities or caring for a family member with a disability, severe family problems, or inability to find work because of labor market conditions.

Evaluation Process: State statutes require DWD to contract with the Wisconsin Legislative Audit Bureau for a financial and performance audit of W-2. The Audit Bureau's final report was issued on April 10, 2001.

Resources

[1] Wisconsin Department of Workforce Development. www.dwd.state.wi.us/dws/w2/.

[2] Wisconsin Council on Children and Families. www.wccf.org.

3. Welfare-to-Work Grants (WtW)

[**Note:** Agencies are currently operating on remaining funds from previously awarded WtW grants. No further funding of WtW grants is expected from the Federal government.]

Background: The *Balanced Budget Act of 1997* authorized the U.S. Department of Labor to provide *Welfare-to-Work* (WtW) grants to states and local communities to help create job opportunities for the ‘hardest-to-employ’ TANF recipients. There were two types of grants awarded: *formula grants* to states and *competitive grants* to local communities. The original grants totaled \$3 billion split between Fiscal Years 1998 and 1999. An insignificant amount was allocated for Indian tribes (1 percent) and evaluation functions (.8 percent). The remaining funds were distributed to states and local communities during Fiscal Years 1998 and 1999. Initial funds were allocated in FY 1999 and distributed over a five-year period, through FY 2002.

States must provide a 33 percent match (for every two federal dollars contributed, a state must contribute one) for all *formula grants* received. States must also abide by the TANF *Maintenance of Effort* (MOE) requirement to be eligible for federal funds. FY 1999 federal funding allocated to Wisconsin was \$12 million.

General program objectives include job placement, job retention, increased earnings and increased child support collections. *Workforce Investment Boards* operate local WtW programs in cooperation with *Wisconsin Works* (W-2) agencies. In Wisconsin these Boards are referred to as *Workforce Development Boards* (WDBs). WtW grants are also provided to other organizations to serve specific populations and deliver specialized services.

Welfare-to-Work core program goals include:

- ensuring those who have left W-2 through employment remain employed beyond the 60 days and are afforded opportunities for career advancement and income growth;
- providing support to traditionally underserved populations, including child care recipients and non-custodial parents; and
- continuing to identify and assist individuals who have multiple barriers prohibiting their ability to obtain and maintain economic and employment self-sufficiency.

In Wisconsin, non-custodial parents have been a major focus of WtW services.

Funding: Seventy-five percent of the federal WtW funds are distributed to states according to a formula set by the WtW statute and implementing regulations. States distribute at least 85 percent of that funding to local *Workforce Development Boards* (Local WDBs) under WIA. The funding formula focuses funding on high poverty areas. States can use the remaining 15 percent of the formula funds

to operate their own WtW projects or to provide additional support for projects operated by the local WDBs. The Department of Labor distributed the remaining 25 percent of the WtW funds through a competitive process, in the form of grants to local Boards, political subdivisions and other entities (such as community-based organizations) that applied in conjunction with a local WDB or political subdivision. Special consideration is given to rural areas and cities with large concentrations of poverty.

Formula grants allocated to states comprise 75 percent of state and local grant distributions. To be eligible for state formula funds, each state must submit a plan for administering their WtW grant, approved by the State Secretary of Labor for statutory compliance. States administer formula funds and assure coordination with TANF block grant spending.

Competitive grants are awarded by the U.S. Secretary of Labor directly to local governments, *Workforce Development Boards* (WDBs), or other such entities and comprise 25 percent of state and local grant distributions. Wisconsin received only one competitive grant in FY 1999.

Note: All available WtW funds have already been awarded. The Federal government is not likely to renew funding for this program.

Funding Amounts

	FY 1999
Federal (to all states)*	\$1.5 billion
State**	
<i>Total Federal Funds</i>	\$12,032,182
<i>Total Matching Funds</i>	\$6,016,091

* U.S. Department of Labor. U.S. Department of Labor – Welfare to Work. <http://wtw.doleta.gov/>.

** Wisconsin Department of Workforce Development. www.dwd.state.wi.us/wtw/State%20Plan/WtW1999%20Funding.htm

Note: The original federal allocations totaled \$3 million, divided between FY 1998 and 1999.

Five-year Funding Distribution: Initial WtW funds were allocated in FY 1999 and distributed over a five-year period, through FY 2002, as follows:

Fiscal Year & Quarter	Federal Funds	Matching Funds	Percentage
FY 1999 Q4	\$0	\$0	0%
FY 2000 Q1	\$601,609	\$300,805	5%
FY 2000 Q2	\$1,203,218	\$601,609	10%

FY 2000 Q3	\$1,804,827	\$902,414	15%
FY 2000 Q4	\$1,804,827	\$902,414	15%
FY20 01 Q1	\$1,804,827	\$902,414	15%
FY 2001 Q2	\$1,203,218	\$601,609	10%
FY 2001 Q3	\$1,203,218	\$601,609	10%
FY 2001 Q4	\$1,203,218	\$601,609	10%
FY 2002 Q1	\$601,609	\$300,805	5%
FY 2002 Q2	\$601,609	\$300,805	5%
FY 2002 Q3	\$0	\$0	0%
Total Allocation (FY 1999)	\$12,032,182*	\$6,016,091*	100%

* U.S. Department of Labor, Education and Training <http://wtw.doleta.gov/formula/99formula/wi.htm>

Resources

- [1] Wisconsin Department of Workforce Development. www.dwd.state.wi.us/wtw/.
- [2] Wisconsin Welfare-to-Work FY 1999 State Plan (expires June 8, 2004). www.dwd.state.wi.us/wtw/.
- [3] U.S. Department of Labor – Welfare to Work. <http://wtw.doleta.gov/resources/fact-grants.asp>
- [4] Wisconsin Department of Workforce Development.
www.dwd.state.wi.us/wtw/State%20Plan/WtW1999%20%20Fund%20Distribute.htm
- [5] Wisconsin Department of Workforce Development. www.dwd.state.wi.us/wtw/State%20Plan/WtW1999%20Funding.htm

4. Workforce Investment Act

A. WIA Title I

Background: The *Workforce Investment Act* (WIA) was signed into law on August 7, 1998 with intent to transform and improve the existing employment and training system into a more inclusive and unified system. WIA Title I replaced the *Job Training Partnership Act* (JTPA). WIA provides states the ability to structure their individual systems to reflect a “work first” philosophy and mandates three sequential levels of service: core, intensive, and training. Additionally, under Title I, states are required to submit a five-year plan to the U.S. Department of Labor. Local *Workforce Investment Boards* (WIBs) are required to submit five-year plans to the governor.

WIA seeks to streamline and integrate employment and training activities through State and Local *Workforce Investment Boards* (WIBs). In Wisconsin these boards are referred to as *Workforce Development Boards* (WDBs). Within this structure, states and local communities may exercise discretion as to the nature and degree of program and service integration. This is implemented through “One-Stop” Job Centers throughout the state. Funding for WIA programs and services will be eligible for reauthorization in 2003.

WIA provides workforce investment services and activities through statewide and local “One-Stop” career center systems that maintain the following goals:

- Enhanced employment, retention, and earnings for individuals
- Increased occupational skills attainment
- Improved national economic growth through better productivity and competitiveness

WIA emphasizes universal access, interagency coordination, and local planning and adheres to the following seven key principles:

- Streamlining services through “One-Stop” centers. Programs and providers will coordinate and integrate activities to provide a more coherent system.
- Empowering individuals through *Individual Training Accounts* (ITAs) that provide or supplement existing financial aid for training, greater levels of information and guidance, and support provided by “One-Stop” partners. Under WIA, the customer may choose among certified training providers.
- Universal access to core employment-related services. This includes information related to job vacancies; career options; student financial aid; relevant employment trends; and instruction on how to conduct a job search, write a resume, or interview with an employer.

- Increased accountability for WIA's success. WIA aims to increase employment, retention, and earnings of participants, and in doing so, improve the quality of the workforce to sustain economic growth, enhance productivity and competitiveness, and reduce welfare dependency.
- Involvement of local WDBs who designate which skills are in demand, what jobs are available, what career fields are expanding, and the identification and development of programs best meet local area needs.
- State and local flexibility to build on existing reforms in order to implement innovative and comprehensive workforce investment systems tailored to meet the particular needs of local and regional labor markets.
- Improved youth programs that promote youth development and citizenship, such as leadership development through voluntary community service opportunities; adult mentoring and follow-up; and targeted opportunities for youth living in high poverty areas.

Funding: WIA Title I provides the following three specific funding streams: adult, dislocated worker, and youth.

Adults: Adult population; states have the option to prioritize low-income adults, but Wisconsin's state WIA plan does not current do so. Upon the governor's approval, a state may transfer up to 20 percent of the *Adult* funds to the *Dislocated Worker* stream.

Dislocated Workers: Individuals permanently laid off, who have received notice of termination, or who are displaced homemakers. Twenty percent of each state's allotment is held in reserve by the U.S. Secretary of Labor for emergency grants to that state. A state may request funds from this reserve to assist areas experiencing economic or employment hardship. Upon the governor's approval, a state may transfer up to 20 percent of the remaining *Dislocated Workers* funds to the *Adult* stream.

Youth: Individuals between the ages of 15 and 21 that meet on of the following criteria:

- school dropout
- basic literacy skills deficiency
- homeless
- runaway or foster child,
- pregnant or a parent
- an offender
- requiring assistance completing education or securing/holding employment

At least 95 percent of *Youth* stream recipients must qualify as 'low income'. Additionally, at least 30 percent of this funding stream must assist recipients not currently in school. Local decisions related to this stream must be made by the *Youth Council* within each *Workforce Development Board* (WDB).

Funding for each individual stream additionally breaks down to include up to 5 percent for administrative costs and 15 percent for 'statewide activities.' Examples of *statewide activities* include investment grants, technical assistance, management information systems, evaluation, one-stop system building, incumbent worker projects, and other authorized youth and adult activities. States may also merge the 15 percent allocated for each stream (adults, dislocated workers, and youth) to increase services to one of the groups.

Funding Amounts

Category	FY 2002	FY 2003
Total Federal Allocation*		
<i>Adult</i>	\$950,000,000	
<i>Dislocated Worker</i>	\$1,549,000,000	
<i>Youth</i>	\$1,127,965,000	
Total	\$3,626,965,000	
Wisconsin's Share**		
<i>Adult</i>	\$11,417,246	\$12,559,792
<i>Dislocated Worker</i>	\$15,314,830	\$19,403,913
<i>Youth</i>	\$12,972,896	\$13,453,552
Total	\$39,704,972	\$45,417,257

* U.S. Department of Labor Employment and Training Administration – Workforce Investment Act.

www.doleta.gov/usworkforce/wia.asp

** (FY 2002) US DOL TEGL 13-01, March 15, 2002, (FY 2003) Federal Register, Volume 68, No. 62 April 1, 2003.

Programs/Services Funded: WIA-funded programs and general services include Core, Intensive, and Training services available through the Wisconsin Job Center system. Training services are delivered to most customers through Individual Training Accounts. WIA Title I and Job Centers also assist employers in finding workers, in training new or existing workers, in dealing with a diverse workforce, and in addressing business downsizing and/or closings.

WIA mandates certain partnerships, but some are decided on the state level. For example, TANF is not a mandatory Job Center partner, but Wisconsin has made it a partner. The following exist as WIA partner programs in Wisconsin:

- WIA activities for Adults, Youth & Dislocated Workers (WIA Title I)
- Adult Education and Family Literacy (WIA Title II)
- Job Service - Labor Exchange such as Job Net (Wagner-Peyser WIA Title III)

- Vocational Rehabilitation (WIA Title IV)
- Welfare-to-Work
- Temporary Assistance to Needy Families (TANF)/Wisconsin Works (W-2)
- Food Stamp Employment and Training (FSET) and Food Stamp Workfare
- Senior Community Service Employment Program- Older Americans Act
- Carl D. Perkins Vocational and Applied Technology Education
- Trade Adjustment Assistance (and NAFTA-TAA)
- Veterans E & T Services & local veteran's outreach programs
- Community Services Block Grants
- Housing and Urban Development
- Unemployment Insurance

Administration

The *Governor's Council on Workforce Investment (CWI)* serves as Wisconsin's state workforce investment council and is charged with endorsing and fulfilling the following mission as designated by the Governor and WIA. CWI establishes the State Workforce Investment Board; encourages and develops effective partnerships with state and local stakeholders; serves as a clearinghouse to identify, collect and disseminate innovative workforce investment strategies; evaluate the program quality and success; recommends policies to promote continuous improvement; recommend strategies, policies and legislative changes to unify the state workforce investment system; and develop and refine the state's five-year plan.

State Workforce Development Boards: Federal policy mandates the state *Workforce Development Board (WDB)* include a state's Governor (serving as Board Chair); two members of each legislative chamber; workforce representatives (non-contract service providers); and additional representatives from business, labor, and youth organizations. The governor may appoint other appropriate individuals. The state Board advises the Governor on developing and implementing the statewide system.

Additionally, this group develops a five-year strategic plan to be submitted to the U.S. Department of Labor. This plan describes workforce development activities undertaken by the state, how the state will implement key WIA requirements, and how best to serve special populations including welfare recipients, veterans, and others with multiple barriers to employment. The plan must be approved within 90 days of submission, unless the Secretary of Labor determines inconsistency with WIA Title I provisions. Additionally, the plan also should incorporate the state plan, under the *Wagner-Peyser Act*, which directs delivery of employment services.

Local Workforce Development Areas: The Governor designates local workforce development areas in which workforce activities are to be administered. The Governor must approve a request for designation from a unit of local government with a population of 500,000 or more. Additionally, units of local government with a population of 200,000 or more, designated as a service delivery area under JTPA, receive temporary designation if they met JTPA performance measures within the previous two years and maintained fiscal integrity.

Workforce development programs are administered within the following *Workforce Development Areas*: Southeast, Milwaukee County, Waukesha-Ozaukee-Washington Counties, Fox Valley, Bay Area, North Central, South Central, Northwest, West Central, Western, and Southwest.

Local Workforce Development Board: Local *Workforce Development Boards* (WDBs), in conjunction with local elected officials, are responsible for planning and overseeing local workforce development programs and services. The state and local Boards must maintain a majority of business representatives and include representatives from education, labor, and community organizations (including those that serve disabled and veteran populations); economic development agencies; and each of the area's "One-Stop" centers. A state's Governor may set criteria for appointing members to this Board.

The local WDB's responsibilities include developing a local plan to be submitted to the Governor for approval; designating local "One-Stop" center operators; designating eligible service providers; negotiating local performance measures, and assisting in developing a statewide employment statistics system.

Eligible Local Service and Training Providers: An eligible provider is an entity whose application has been approved by the state, to provide training service through the use of an *Individual Training Account* (ITA). There are two designations: Initially (those continuing from JTPA) and subsequently (those having successfully met the WIA-designated performance criteria for one year) eligible service providers. The Governor and Local Boards cooperate to establish an application process for those seeking to become a service provider.

Individual Training Account (ITA): An ITA is established on behalf of a WIA eligible service provider to finance training services. WIA Title I *Adult and Dislocated Workers* may purchase training services from eligible providers they select in consultation with their case manager. Payments from an ITA may be made via electronic transfer of funds through financial institutions, vouchers, or other appropriate methods. Payments may also be made incrementally; through payment of a portion of the costs at different points in the training course. [WIA section 134(d)(4)(G).]

The state or local Board may impose limits on ITAs, such as limitations on the dollar amount and/or duration. There may be a limit for an individual participant that is based on the needs identified in the individual employment plan. There may also be a policy decision by the state or local Board to establish a range of amounts and/or a maximum amount applicable to all ITAs. Limitations established by state or local Board policies must be described in the state or local Plan, respectively, but should not be implemented in a manner that undermines the Act's requirement that training services are provided in a manner that maximizes customer choice in the selection of an eligible training provider.

It is important to note that ITAs are the *default* method for delivering training services through WIA, but that under certain circumstances the Job Center can contract with a training provider for bulk training services.

Youth Councils: Each designated local *Workforce Development Area* (WDA) must establish a Youth Council, to exist as a subgroup of that area. The Youth Council is appointed by the local Board and is comprised of local Board members, representatives of youth service agencies (including juvenile justice and law enforcement), local public housing officials, parents, youths, and others deemed appropriate. The Youth Council assists in developing portions of the local plan that relate to youth, makes recommendations for youth activities grants recipients, and coordinates youth activities within the local WDA.

“One-Stop” Centers: Each designated workforce investment area maintains at least one “One-Stop” center. This establishment aims to bring together and deliver core education and training services provided under WIA and TANF at one convenient location for job seekers. In Wisconsin, these facilities are referred to as Job Centers.

Target Population: All members of the general public are eligible to receive WIA Title I services. During times of budgetary scarcity, states may give priority to low-income individuals and those transitioning from welfare to work, though Wisconsin's state WIA plan does not currently do so.

Restrictions: To be eligible for WIA funding, a state must designate local *Workforce Development Areas* (WDAs), each governed by a local *Workforce Development Board* (WDB). WDBs are required to establish a “One-Stop” System through which contracting entities/partners will deliver services. WIA Title I requires a *Memorandum of Understanding* (MOU) between each “One-Stop” partner and the local WDB that outlines available services, coordination of referrals, and resource use.

If a state fails to meet state adjusted levels of performance "for a second consecutive year, or if a state fails to submit a report under subsection (d) for any program year, the Secretary may reduce by not more than 5 percent, the amount of the grant that would (in the absence of this paragraph) be payable to the state under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet state adjusted levels of performance. [sec. 136(g)(1)(B)]

Reporting Requirements: Training providers must submit program reports to their local WDBs documenting success related to the following four core indicators for all program participants:

- entry into unsubsidized employment
- retention in such employment six months after placement
- earnings gains six months after placement
- attainment of education credentials

States are required to submit one WIA quarterly report for each fund source received (*Adult, Displaced Workers, and Youth*). This report is divided into sub-reports detailing statewide activities, statewide rapid response, local area administration, local area youth activities, and local area dislocated worker activities.

Each state prepare and submit an annual report to the Secretary relating the state's progress in achieving state performance measures, including information on the levels of performance achieved by the state with respect to the core indicators of performance and the customer satisfaction indicator. This report should also include information local areas progress in achieving local performance measures, including information on the levels of performance achieved by the areas with respect to the core indicators of performance and the customer satisfaction indicator.

The report should also provide the following information on programs and participants:

- entry by participants who have completed training services provided under section 134(d)(4) into unsubsidized employment related to the training received;
- wages at entry into employment for participants in workforce investment activities who entered unsubsidized employment, including the rate of wage replacement for such participants who are dislocated workers;
- cost of workforce investment activities relative to the effect of the activities on the performance of participants;
- retention and earnings received in unsubsidized employment 12 months after entry into the employment;
- performance with respect to the indicators of performance specified in subsection (b)(2)(A) of participants in workforce investment activities who received the training services compared with the performance of participants in workforce investment activities who received only services other than the training services (excluding participants who received only self-service and informational activities); and
- performance with respect to the indicators of performance specified in subsection (b)(2)(A) of recipients of public assistance, out-of-school youth, veterans, individuals with disabilities, displaced homemakers, and older individuals." [section 136(d)]

Evaluation Process: WIA Titles I and II and Perkins III established state performance accountability systems. A number of the "core indicators" used to measure state and local performance are similar or identical for all three programs. Performance levels should be,

at minimum, a) expressed in an objective, quantifiable, and measurable form; and b) show an agency's continual performance improvement.

Under WIA Title 1, Subtitle B, states must negotiate expected levels of performance with the U.S. Department of Labor for adult, dislocated workers, and youth programs. Subsequently, each local WDB and Chief Elected Official in a state must negotiate with the Governor and reach agreement on local levels of WIA performance. Local performance levels must be based on state-negotiated performance levels. Both resulting local and state performance levels must be included in the program's Five-Year Plan.

Resources:

[1] Wisconsin Department of Workforce Development – Workforce Investment Act. www.dwd.state.wi.us/dwdwia/

[2] U.S. Department of Labor Employment and Training Administration – Workforce Investment Act.
www.doleta.gov/usworkforce/wia.asp

[3] Individual Training Account/Eligible Service Provider Pilot Site. www.ita-etp.net/

[4] Career One-Stop Portal. www.careeronestop.org

[5] Wisconsin Job Center. <http://wisconsinjobcenter.org/wjc/>

[6] U.S. Department of Labor Employment and Training Administration-State Formula Funding. www.doleta.gov/budget/statfund.asp

[7] WIA/Adult Ed/Perkins Act Accountability System Cross-Walk . www.ed.gov/offices/OVAE/AdultEd/accoutcross.doc

[8] HR 1261. www.doleta.gov/usworkforce/whatsnew/1261-reported-bill.pdf.

B. WIA Title II, Adult Education and Family Literacy Act (AEFL)

Background: The *Adult Education and Family Literacy Act*, WIA Title II (AEFL) reauthorizes adult education and literacy programs for Fiscal Years 1999-2003. AEFL was enacted to establish adult education as an integral part of workforce investment. AEFL restructures services previously authorized by the *Adult Education Act* and requires agencies receiving grants to provide services to be mandatory partners in the one-stop system established through the 1998 *Workforce Investment Act* (WIA).

In general, WIA reformed federal employment, adult education, and vocational rehabilitation programs to create an integrated "One-Stop" System for adult and youth workforce investment and education activities. Entities that carry out AEFL activities are mandatory partners in this "One-Stop" System.

AEFL aims to expand educational opportunities for adults and encourages establishment of adult education programs that assist educationally disadvantaged adults. AEFL prepares adult learners to:

- successfully enter and succeed in education programs,
- complete a secondary school education,
- attain and retain meaningful and sustainable employment,
- effectively support literacy development and academic success within a family environment,
- become informed and active participants in community or civic life, and
- become self-directed, lifelong learners.

Funding: AEFL funds are granted to service providers directly by the *Wisconsin Technical College System* (WTCS). These funds are allocated within the following four broad program categories:

Adult Basic Education Comprehensive Programs: These funds support comprehensive adult basic educational programs that enable adults to acquire basic skills necessary to function in society; enable adults to continue their education to at least the level of completion of secondary school; and make available to Wisconsin adults the means to secure training which enables them to become more employable, productive and responsible citizens. Additionally, *Comprehensive Program* grants aim to support a primary provider of a "full service" adult basic education program within a geographic area that equates to a technical college district.

Adult Basic Education Outreach Programs: These grants are similar to the *Comprehensive Program* grants except in populations targeted to receive services. *Outreach Program* grants aim to support adult basic education providers that serve specific geographic area(s) within a technical college district and/or specific population(s).

Institutionalized Individuals: These grants fund educational programs for criminal offenders in Wisconsin's correctional institutions and include basic education with special emphasis on reading, writing, vocabulary, and arithmetic; special education programs; bilingual or English as a second language (ESL) programs; and secondary school credit programs.

State Leadership Funding: These funds support professional development, curriculum development, and other activities of statewide significance that promote the AEFL goals. The state office selects applicants from eligible recipients.

Funding Amounts

Category	FY 2002	FY 2003
Total Federal Allocation*		
<i>Adult Education</i>	\$494,730,598	\$491,497,109
<i>English Literacy/Civics</i>	\$70,000,000	\$69,545,000
Wisconsin's Share**		
<i>Adult Basic Education Comprehensive Programs</i>		\$5,224,700
<i>Adult Basic Education Outreach Programs</i>		\$757,281
<i>Institutionalized Individuals</i>		\$657,390
<i>Integrated State Literacy and Civics Education</i>		\$294,500

* U.S. Department of Education. www.ed.gov/offices/OVAE/AdultEd/

** Roe Parker. Wisconsin Technical College System.

Administration: The Wisconsin Technical College System (WTCS) administers AEFL grants. WTCS provides a *State Plan* to the federal government to receive federal funds. This plan is the foundation for AEFL grants and describes guidelines, governing policies, and performance measures for grant recipients.

Target Population: AEFL primarily serves individuals between the ages of 18 and 64 who have not received a high school diploma or equivalent certification and/or have no more than an eighth grade education. Other target populations include low-income individuals and displaced homemakers with inadequate basic skills, individuals with limited English proficiency, and inmates residing in correctional facilities.

Restrictions: Grant-funded activities must fall within one of the following broad categories: Adult education and literacy including workplace literacy, family literacy, and English literacy.

Reporting Requirements: As mandated under WIA, states must prepare and submit an annual report to the Secretary relating the state's progress in achieving state performance measures, including information on the levels of performance achieved by the state with respect to the core indicators of performance and the customer satisfaction indicator. This report should also include information local areas progress in achieving local performance measures, including information on the levels of performance achieved by the areas with respect to the core indicators of performance and the customer satisfaction indicator. (*See WIA Title I*)

Evaluation Process: WIA Titles I and II and Perkins III established state performance accountability systems. A number of the "core indicators" used to measure state and local performance are similar or identical for all three programs. Performance levels should be, at minimum, a) expressed in an objective, quantifiable, and measurable form; and b) show an agency's continual performance improvement.

The AEFL requires the WTCS to develop outcome-based performance standards for adult education programs. There are five core outcome measures that are required on all students who receive 12 hours or more of service. The Department of Education will use these measures to judge program performance including eligibility for incentive grants. WTCS will use these measures to judge local program performance. The five core outcome measures are:

- educational gains
- employment
- retained employment
- receipt of secondary school diploma
- post-secondary school education or training.

Resources

[1] Wisconsin Technical College System – Adult and Family Literacy. www.board.tec.wi.us/Grants/aefl/AEFL.htm

[2] Wisconsin Technical College System – Adult and Family Literacy. Wisconsin State Plan: AEFL 1999-2004. www.board.tec.wi.us/Grants/aefl/AEFLPlan04.pdf.

[3] Wisconsin Technical College System – Adult and Family Literacy. www.board.tec.wi.us/Grants/aefl/AEFL03-04-DEC.doc

[4] U.S. Department of Education – Adult Education and Family Literacy Act. www.ed.gov/offices/OVAE/AdultEd/legis.html

[5] Roe Parker, *Wisconsin Technical College System* (WTCS).

C. WIA Title III, Subtitle A, Wagner-Peyser Act

Background: The *Wagner-Peyser Act*, WIA Title III, Subtitle A, amends the original Wagner-Peyser Act to require that Employment Service/Job Service activities become part of the "One-Stop" System, and establishes a national employment statistics initiative. It requires linkages between the Act's programs and Trade Adjustment Assistance and North American Free Trade Agreement Transitional Adjustment Assistance programs. It establishes a temporary "Twenty-First Century Workforce Commission" to study issues relating to the information technology workforce in the United States.

The *Wagner-Peyser Act* was the first broad-based labor program initiated in the U.S. in response to the Depression. The Act coordinated existing state offices into a nationwide system that delivered services in a more uniform manner, known as the U.S. Employment Service. It established a national employment system and cooperation among the states to promote the system. Each state receives funds to administer a labor exchange program responding to the needs of the state's employers and workers through a system of local employment services offices.

The amended *Wagner-Peyser Act* mandates universal access to core services and an integrated array of labor exchange and WIA service delivery through the nationwide "One-Stop" System.

Funding: [waiting for response from Joan Larson, DWD]

Funding Amounts

Category	FY 2001	FY 2002
Total Federal Allocation*	\$761,735,000	\$761,735,000
Wisconsin's Share**		

* U.S. Department of Labor, Employment and Training Administration. www.doleta.gov.

** [waiting for response from Scott McDonald, DWD]

Target Population: Job seekers who are Veterans receive priority referral to jobs and training as well as special employment services and assistance. In addition, the system offers specialized attention and services to individuals with disabilities, migrant and seasonal farm-workers, ex-offenders, youth, minorities, and older workers.

Restrictions: Services must be offered through the "One-Stop" System. 90 percent of allotted funds must be used for:

- job search and placement services for job seekers
- appropriate recruitment services and special technical services for employers; and

- any of the following activities: evaluation of programs; developing linkages between services funded under this Act and related federal or state legislation; providing services for workers receiving notification of permanent layoff; workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures; developing and providing labor markets and occupational information; developing a management information system; and administering the work test for the state unemployment compensation system and providing job finding and placement services for unemployment insurance claimants.

10 percent of the allotted funds must be reserved for use by the governor to provide performance incentives, services for groups with special needs, and the extra costs of exemplary models for delivering services.

Additionally, states may *not* contract with private firms to provide these services. State employees must carry out these functions.

Performance Outcome data:

Wisconsin Labor Exchange Program Data - FY 2001*

Total Number of Applicants:	329,348
Eligible Claimants:	50,641
Received Some Reportable Service:	259,765
<i>Services Beyond Basic Registration</i>	
Assessment Services Provided:	27,652
Received Job Search Activities:	15,140
Referred to Skills Training:	1,741
Referred to Employment:	191,340
Entered Employment:	134,463
Obtained Employment:	133,780

* *Selected State Public Labor Exchange. U.S. Department of Labor-Employment and Training Administration. www.uses.doleta.gov/arp01/state_by_state.asp.*

Resources

- [1] Wisconsin Job Center. <http://wisconsinjobcenter.org/wjc/>
- [2] Wisconsin Department of Workforce Development – WIA. www.dwd.state.wi.us/dwdwia/
- [3] U.S. Department of Labor, Employment and Training Administration. www.doleta.gov.

D. WIA Title IV, Vocational Rehabilitation Services

Background: WIA Title IV, *Vocational Rehabilitation Services*, reauthorizes *Rehabilitation Act* programs through Fiscal Year 2003 and links these programs to state and local *Workforce Development Boards* (WDBs).

Vocational Rehabilitation Services includes amendments to the *Rehabilitation Act* of 1973. It authorizes allocation of federal funds on a formula basis, to administer and operate vocational rehabilitation programs that assist individuals with disabilities to prepare for and engage in gainful employment through a wide range of services and job training.

Funding Amounts

Category	FY 2002	FY 2003
Total Federal Allocation*		
<i>Basic Support</i>	\$2,455,808,000	\$2,506,948,000
<i>Supported Employment</i>	\$ 38,152,000	\$37,904,000
Wisconsin's Share*		
<i>Basic Support</i>	\$49,581,559	\$50,417,258
<i>Supported Employment</i>	\$653,270	\$ 645,242

* *Lenn Schneider. Wisconsin Department of Workforce Development (DWD).*

Programs/Services Funded: The Wisconsin *Division of Vocational Rehabilitation* (DVR) promotes several specialized program and services including:

- Business Enterprise Program (BEP): for people who are legally blind to become self-employed.
- Business Enterprise Services & Training (BEST): for consumers interested in self-employment or business planning/development.
- Business Leadership Network: a national program led by employers to hire qualified job applicants with disabilities.
- Pathways to Independence Project: removes Social Security Administration (SSA) and other barriers to employment for people with disabilities.
- Supported Employment Services: for persons with severe disabilities to find a job suited to their specific skills and abilities.
- Ticket to Work: designed to expand access for SSI recipients and SSDI beneficiaries to employment, VR, and other support services.
- Transition Services: for students transitioning from high school to post-secondary education.
- Youth Leadership Forum (YLF): designed to train and facilitate youths with disabilities to become leaders and develop life-long skills.

- Windmills Training: a no-cost interactive training for employers to deal with diversity, specifically related to hiring/retraining people with disabilities.

Other services include benefits counseling; AODA short-term counseling; job referrals and placement; work-related materials such as clothing; copies of medical reports; psych and voc evaluations; road tests; functional assessments; hospitalization; medical clinic appointments; treatment for substance abuse and addiction; physical therapy; hearing aids; glasses; prosthetics; business and vocational training; on-the-job training; elementary, high school, and GED training; books; supplies; software; public transportation; personal attendants, caretakers, and drivers; interpreter or note-taking for the deaf; reader or driver services for the blind; orientation or mobility services for the blind; low-vision aids or adjustment services for the blind; wheelchairs, motorized scooters, and assistive technology; child care; PASS plans; medication; mentoring & school support; and bilingual interpreters.

Administration: Wisconsin Department of Workforce Development, Division of Vocational Rehabilitation administers VR service programs.

The *Wisconsin Rehabilitation Council* (WRC, formerly *State Rehabilitation Planning and Advisory Council*) was officially established by executive order of the Governor in 1993. Its purpose is to advise and assist the *Division of Vocational Rehabilitation* (DVR) to prepare applications, the State Plan, the Strategic Plan, and amendments to the Plans, reports, needs assessments, and evaluations required.

WRC members are appointed to staggered three-year terms by the Governor. The DVR administrator serves as an ex-officio member of the Council. WRC members are:

- Individuals with physical, cognitive, sensory, and mental disabilities; and
- Parents, family members, guardians, advocates, or authorized representatives of people with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves; and
- Current or former applicants for, or recipients of, vocational rehabilitation services.

Target Population: Individuals a) with a physical or mental impairment that is a substantial impediment to employment, b) who benefit from Vocational Rehabilitation services, and c) who require Vocational Rehabilitation services to prepare for, enter, engage in, or retain gainful employment that is consistent with an individual's strengths, resources, priorities, abilities, and informed choice.

All individuals receiving SSI or SSDI benefits are automatically eligible for Title IV services. Title IV funding is intended *only* for disabled individuals. State agencies must also provide minorities with equal access to Vocational Rehabilitation services.

Reporting Requirements: Participating agencies or organizations must maintain a case record for each recipient of VR services.

In general, agencies providing Vocational Rehabilitation services are required to report program performance data to the *Rehabilitation Services Administration (RSA)* by December 1st, each year. RSA establishes minimum performance levels for each performance indicator. Indicators include:

- change in the number of individual with employment outcomes;
- percentage of individuals who become employed after receiving services;
- percentage of individuals who exit the program in competitive employment, self-employment, or a Business Enterprise Program (BEP);
- average hourly earnings of those with competitive employment; and
- change in percentage of primarily self-supporting individuals.

Wisconsin uses the federal letter of credit (through the federal Payment Management System) to directly access the federal funds as they are expended. There are several federal reports that must be filled out (quarterly and yearly) to indicate, in more detail, how the state spends the funds.

Evaluation Process: In general, programs are evaluated on their ability to successfully assist individuals with disabilities to prepare for and engage in gainful employment.

Resources:

[1] Lenn Schneider, DWD. lenn.schneider@dwd.state.wi.us.

[2] Wisconsin Department of Workforce Development, WIA. www.dwd.state.wi.us/dwdwia/.

[3] Wisconsin Department of Workforce Development, WIA Title IV. www.dwd.state.wi.us/dvr/.

[4] Division of Vocational Rehabilitation, Wisconsin Department of Workforce Development. VR Program Policy. May 2003.

http://www.dwd.state.wi.us/dvr/policy/vr_program_policy_0503.pdf

5. Carl D. Perkins Vocational and Technical Education Act

Background: The *Carl D. Perkins Vocational and Technical Education Act* of 1998 provides secondary and post secondary vocational and technical education programs federal funding for a five-year period, from July 1, 1999 to June 30, 2004. The purpose of these funds is to improve educational programs and services leading to academic and occupational skill competencies needed to work in a technologically advanced society.

The *Perkins Act* defines vocational-technical education as organized educational programs offering sequences of courses directly related to preparing individuals for paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Programs include competency-based applied learning that contributes to an individual's academic knowledge, higher-order reasoning, problem solving skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society.

The *Perkins Act* aims to develop more fully the academic, vocational, and technical skills of secondary students and post secondary students who elect to enroll in vocational and technical education programs, by:

- building on the efforts of states and localities to develop challenging academic standards;
- promoting the development of services and activities that integrate academic, vocational, and technical instruction, and that link secondary and post secondary education for participating vocational and technical education students;
- increasing State and local flexibility in providing services and activities designed to develop, implement, and improve vocational and technical education, including tech prep education; and
- disseminating national research, and providing professional development and technical assistance, that will improve vocational and technical education programs, services, and activities.

Current funding for the *Carl D. Perkins Vocational and Technical Education Act* expires on October 1, 2003.

Funding: The *Perkins Act* funds the following four categories of grants: Basic Grant Funds, Special Population Students, Perkins Basic Grant Reserve Funds, and Criminal Offenders Programs.

Basic Grant Funds may only be used to provide direct services designed to meet the needs of special populations students to assist them in completing technical program courses and graduating from technical degree and diploma programs. These services must be necessary for special populations students to participate in and succeed in approved technical programs and courses therein.

All *Special Population Students* served in this funding area must be enrolled in one or more credits of approved associate degree, short term, one and two year technical diploma or apprenticeship programs. Nontraditional students are the only exception to this policy as activities can be conducted to solicit enrollment of potential students. *Special Populations Students* are defined as:

- Individuals with disabilities;
- Individuals who are economically disadvantaged;
- Individuals preparing for nontraditional training and employment;
- Single parents, including single pregnant women;
- Displaced homemakers;
- Individuals who are academically disadvantaged; and
- Individuals with limited English proficiency.

Perkins Basic Grant Reserve Funds are used to promote new and innovative practices for increasing the number of high school students and other targeted groups to attend technical colleges including enrolling in nontraditional occupational courses, pre-technical courses, and work-based learning experiences. Priority groups to be served by these funds are high school aged students, women, minorities, and other persons interested in pursuing technical careers.

The State Department of Corrections administers *Criminal Offenders Programs*, technical education for adult criminal offenders in correctional institutions within Wisconsin. State corrections educational agencies carrying out the technical education programs shall give special consideration to providing services to offenders who are completing their sentences and preparing for release, and to establishing vocational education programs in correctional institutions which do not have such programs; provide vocational education programs for women who are incarcerated; improve equipment; and in cooperation with WTCS districts, administer and coordinate vocational education services to offenders before and after their release.

Funding Formula

85 percent of the state's basic grant must be based on a formula allocation awarded to school districts to:

- integrate academic, vocational, and technical programs
- provide students with strong experience in and understanding of all aspects of an industry
- develop, improve, or expand the use of technology in vocational and technical education
- provide professional development programs to teachers, counselors, and administrators
- develop and implement evaluations which assess the needs of special populations
- initiate, improve, expand, and modernize quality vocational and technical education programs
- provide services and activities that are of sufficient size, scope, and quality to be effective
- link secondary and post secondary vocational education programs

School districts are required to form consortiums if the \$15,000 threshold is not met.

10 percent of the state’s basic grant must be used for statewide programs and leadership development. The remaining five percent of the state’s basic grant must be used to administer the federal grant by:

- developing a state plan
- reviewing a local plan
- monitoring and evaluating program effectiveness
- ensuring compliance with federal laws
- providing technical assistance
- supporting state leadership activities

Tech Prep Appropriation

The federal government also appropriated funds for technical-preparation programs that contain the following elements:

- development of 2+2 or 2+apprenticeship curricula with common core of mathematics, science, reading, writing, communications, and technologies to lead to an associate degree or certificate in specific career field
- development of tech-prep programs that meet academic standards, link secondary and post secondary institutions including the concurrent enrollment in secondary and post secondary coursework, uses work-based learning (all aspects of an industry), uses educational technology and distance learning
- in-service training for teachers
- training programs for counselors
- preparatory services
- equal access for special populations including development of services

Additionally, five percent of the *Tech Prep Appropriation* fund must be retained at WTCSB and DPI for administration. In Wisconsin, grants are awarded on a formula basis to WTCS districts and public school districts are served through this consortium application.

Funding Amounts

Category	FY 2002
Total Federal Allocation*	
<i>Basic Grants</i>	\$1,180,000,000
<i>Tech-Prep Grants</i>	\$108,000,000

Wisconsin's Share*	
<i>Basic Grants</i>	\$23,222,266
<i>Tech-Prep Grants</i>	\$2,178,840

* U.S. Department of Education – Office of Vocational and Adult Education. www.ed.gov/offices/OVAE/CTE/2002allot.html

Target Population: Eligible individuals seeking secondary and post-secondary education. Funds must be allocated to designated “special populations”.

Administration: The U.S. Department of Education - Office of Vocational and Adult Education (OVAE) administers the *Perkins Act*. Under the Perkins Act, federal funds are made available to help provide vocational-technical education programs and services to youth and adults. The vast majority of funds appropriated under the Perkins Act are awarded as grants to state education agencies. These grants are allotted to states according to a formula based on states' populations in certain age groups and their per capita income.

Only State Boards for Vocational Education (in Wisconsin, this is the Wisconsin Technical College System Board) are eligible to apply for State Basic Grants. The distribution of grant funds within a state is directed to priority items established by the state in accordance with an approved state plan for vocational-technical education. Local education agencies and postsecondary institutions are eligible recipients for sub-grants.

Additionally, to receive funds, states must develop plans based on the general purpose of the Perkins Act, State Plan goals, core indicators; adjusted levels of performance, and other requirements. The *Wisconsin Technical College System Board (WTCSB)* must submit the state plan on behalf of the *Wisconsin Technical College System (WTCS)*, *Governor's Work-based Learning Board (GWBLB)*, and *Department of Public Instruction (DPI)*. The U. S. Department of Education (USDOE) reviews and approves state plans.

Under current law, the *Governor's Work-based Learning Board (GWBLB)* plans, coordinates, administers, and implements youth apprenticeship, school-to-work, and work-based learning programs, including programs funded through the *Carl D. Perkins Vocational and Technical Education Act*. The GWBLB consists of 17 members including the Governor, State Superintendent of Public Instruction, President of the Wisconsin Technical College System Board, Director of the Technical College System, Secretary of the Department of Workforce Development (DWD), and public representatives of business and industry, labor, secondary and vocational education, and work-based learning. The Assembly Speaker and Senate Majority Leader may each appoint two members.

As of May 2003, the Governor has recommended elimination of the GWBLB and transferring its functions to the Department of Workforce Development's newly formed *Governor's Work-based Learning Council (GWBLC)*.*

* *Transfer Governor's Work-based Learning Program Functions.* www.legis.state.wi.us/lfb/2003-05budget/2003-05BudgetPapers/837.pdf.

Restrictions: In order to receive federal funds, a tech prep program must include the following components: a) an articulation agreement that aligns the curriculum in grades 9 through 14 to provide students with a smooth transition from secondary to technical school, b) a curriculum that consists of at least two years of secondary education and two or more years of higher education or an apprenticeship program designed to lead to an associate degree or a certificate in a specialized career field, c) development of tech prep programs for secondary or post-secondary students to a level that meets states academic standards, d) in-service teacher training, e) counselor training designed to recruit students to tech prep programs, f) equal access to all tech prep programs for special populations, and g) preparatory services to assist tech prep program participants.

Reporting Requirements: States must evaluate and report program process and success related to the four core indicators:

- attainment of skills or proficiencies
- attainment of a diploma or credential
- placement and retention in employment, post-secondary education, advanced training, or military service
- enrollment in/completion of programs leading to non-traditional jobs

Evaluation Process: The *Wisconsin Technical College System Board (WTCSB)* has established required *Core Indicators of Performance* for postsecondary eligible recipients for the last three years of the current Perkins Act (2001-02, 2002-03, and 2003-04) in accordance with guidance from the U.S. Department of Education. Statewide levels and individual recipient levels of performance have been established. Recipients are responsible for their individual performance levels and are expected to increase their levels of performance to the same degree that the statewide levels are to improve. The core indicators are as follows:

- *Student Academic Achievement and Technical Skill Attainment:* The state Board has determined that student academic and technical skills attainment will be measured as the rate at which cohort students complete 80% of their academic courses over a three-year period.
- *Graduation/Completion:* A cohort of first-time/full-time students established in 2001-02 will have a graduation rate in 2003-04 that is 2.54% greater than the 55.46% level of the 1995-96 baseline cohort.
- *Placement and Retention:* The *Wisconsin Technical College System (WTCS)* will maintain the current 91.90% employment rate for graduates who respond to the six-month follow-up who self-report as employed or continuing their education. The Board established a 90% rate of employment retention.
- *Preparation for Nontraditional Training and Employment:* The state Board established a 10.75% baseline level for *enrollment* of nontraditional students in nontraditional programs and established a 9.83% baseline level for *graduation* of nontraditional students enrolled in nontraditional programs.

Resources:

- [1] Wisconsin Technical College System: Carl D. Perkins (Perkins III) www.board.tec.wi.us/Grants/Perkins/perkins.htm.
- [2] Wisconsin Department of Public Instruction: Implementation Guidelines. www.dpi.state.wi.us/dpi/dlsis/let/cpgrant.html.
- [3] U.S. Department of Education – Office of Vocational and Adult Education. www.ed.gov/offices/OVAE/CTE/perkins.html.

6. Food Stamp Employment and Training Program (FSET)

Background: The *Food Stamp Employment and Training Program* (FSET) evolved from efforts to reduce food stamp dependency by requiring certain recipients to work. Congress amended the *Food Stamp Act* in 1970 to require that all able adults who are not exempt register for work with their local Employment Service office and accept employment if offered. During the 1970s and 1980s, the U.S. Department of Agriculture (USDA) worked with states and localities to operate pilot education and training programs for food stamp recipients required to register for work. The *Food Security Act* of 1985 required all states to create education and training programs for work registrants and provided funding for FSET. This included a basic grant and federal matching funds for states that invest their own money in supportive services (e.g., transportation, child care, etc.) for program participants.

FSET was further amended through the 1996 *Personal Responsibility and Work Opportunity Act* (PRWORA) and the 2002 Farm Bill. No Wisconsin state administrative rules have been created for this program.

In Wisconsin, FSET consists of several employment and training components to facilitate participants' transition to unsubsidized employment. Additionally, in Wisconsin the FSET program functions in cooperation with county-sponsored Work-Relief programs in those counties that have chosen to operate General Relief programs. FSET has been in operation in Wisconsin since 1987.

Funding:

Funding schemes differ depending upon the program population being served.

100 percent Federal Allocation for Able-bodied Adults Without Dependents (ABAWDS): Funds are provided to a W-2 agency during each W-2 contract for the expenses of serving the FSET ABAWD population, generally adults 18 through 49 years old without children in their assistance group.

The *Services/Administration Allocation* of W-2 and Related Programs Implementation Contract also includes funding for FSET ABAWDs, to be used for additional FSET ABAWD expenses only after the initial *100 percent Federal Allocation* has been exhausted. State agencies may carry over any unused 100 percent FSET funding into the next federal fiscal year.

50/50 Match Funding for all other FSET participants: States are encouraged to use local funds matched with federal funds to enhance FSET services for the non-ABAWD FSET participants. The 50/50 local/federal FSET funding is facilitated through a contract between the *Division of Economic Support* (DES) and the county or tribal government.

Funding Formula: Section 4121 of the *Farm Security and Rural Investment Act of 2002* (the *Farm Bill*) authorizes FSET through FY 2007. The bill sets the basic amount of unmatched federal funding at \$90 million each year for FY 2002 through FY 2007. It also significantly altered the method by which the Employment and Training program funds are allocated and spent.

The *bill* allows the Secretary of the Department of Agriculture to consider the numbers of ABAWDs subject to the three-month time limit in order to determine allocations. The FY 2003 allocation uses a funding formula that combines each state’s number of work registrants with the number of ABAWDs as a percentage of the numbers of work registrants and ABAWDs nationwide.

The new allocation formula eliminates the 80/20 percent funding allocation, a previous formula that mandated 80 percent of the funds be spent on ABAWDs with the remaining 20 percent allocated to other recipients. The new formula allows state agencies to allocate funds without specific assignment to ABAWDs.

Funding Amounts

Category	FY 2001-2002	FY 2002-2003
Federal (to all states)*	\$90,000,000	\$90,000,000
State**	5,078,700	\$4,406,300

* *FY 2003 Employment & Training grants (2002 Farm Bill)*. www.fns.usda.gov/fsp/rules/Legislation/farmbill.htm

** ** *Wisconsin Works (W-2) and Other Economic Support Programs. Legislative Fiscal Bureau Report. January 2003. Page 45.*

Programs/Services Funded: Funding is intended for FSET services as part of the overall W-2 and Related Programs Implementation Contract services. They may be used for development, administration, and/or contracting for allowable education, training, transportation and other work related expenses of participants.

Administration: U.S. Department of Agriculture – Food and Nutrition Service administers FSET at the federal level. Wisconsin Department of Workforce Development (DWD) administers FSET at the state level, in accordance with federal regulations. Additionally, FSET is administered in Wisconsin by W-2 agencies within their geographic area. Federal law, however, requires that a governmental worker, either a county or tribal employee, must be the eligibility worker for the food stamps case.

Target Population: Food stamp applicants are referred to FSET if physically and mentally fit and between 16 and 60 years of age, unless they are exempt. Those referred must participate in job search, workfare programs, employment experience, and other educational programs to improve basic skills and employability. They must also accept any suitable job that is offered.

Food stamp recipients are exempt if they are complying with a W-2 work program or unemployment compensation system, or are responsible for the care of a dependent child under the age of six or an incapacitated person. Other exemptions are allowed in certain cases for the second parent in W-2 families, students attending school more than half time, migrant workers, part-time workers, individuals in treatment programs, and minors attending school, in employment training programs, or who are not the primary person in the food stamp group. Participants who are exempt may volunteer for FSET services unless they are working 30 or more hours per week.

- PRWORA imposed additional work requirements on the ABAWD population, but the time-limited eligibility for those who fail to comply has been waived by FNS through March 31, 2004, due to increasing unemployment in the state.

Restrictions: Total hours of participation in FSET program activities, together with any hours of subsidized or unsubsidized work, cannot exceed 120 hours per month. FSET agencies have discretion on the number of hours assigned, but performance standards for W-2 contracts are based upon participants meeting this monthly standard of 120 hours. Participation in unpaid work experience or workfare of the food stamp household is limited to the number of hours resulting from dividing the value of the household's monthly food stamp allotment by the higher of the state or federal minimum wage. (Although generally subject to the above requirements, ABAWDS must be assigned at least 20 hours per week in unsubsidized employment, other work program requirements, or a combination thereof.)

If an assigned, sanctionable activity is missed and good cause is not established, the FSET worker requests a food stamp sanction from the eligibility worker. Once the sanction is entered, the participant is ineligible until the sanction period expires or the person becomes exempt from FSET.

Resources

[1] Department of Workforce Development – FSET. www.dwd.state.wi.us/dws/w2/fset.htm.

[2] U.S. Department of Agriculture – Food and Nutrition Service. www.fns.usda.gov/fsp/.

[3] FY 2003 Employment & Training grants (2002 Farm Bill). www.fns.usda.gov/fsp/rules/Legislation/farmbill.htm

[4] Wisconsin FSET Manual. www.dwd.state.wi.us/dws/manuals/fset/toc.pdf

7. Job Access and Reverse Commute Program (JARC)

Background: The *Job Access and Reverse Commute* (JARC) program was created under the *Transportation Equity Act for the 21st Century* (TEA-21). The purpose is to help localities and regions develop transportation solutions for low-income (defined as at or below 150 percent of poverty) jobseekers and workers to access jobs. The funds require a 50 percent match (other federal, non-USDOT) dollars such as WtW or TANF are eligible) and are competitive. This 5-year funding stream authorizations \$150 million each year.

JARC assists states and localities in developing new or expanded transportation services that connect welfare recipients and other low-income persons to jobs and other employment related services. Job access programs include development or expansion of shuttles, vanpools, new bus routes, connector services to mass transit, and guaranteed ride home programs for welfare recipients and low-income persons. Reverse commute projects include transportation services to suburban employment centers from urban, rural and other suburban locations for all populations.

Criteria for evaluating grant applications include:

- Coordinated human services/transportation planning process involving state or local agencies that administer the TANF and WtW programs, the community to be served, and other area stakeholders;
- Unrealized demand for additional services and the extent to which the service will meet that need; and
- Project financing, including funding maintenance and financial commitments from human service providers and existing transportation providers.

Other factors that may be taken into account include the use of innovative approaches, schedule for project implementation and geographic distribution.

In 2001, Wisconsin combined TANF and TDM (state) dollars, along with local share, to draw down the JARC funds. The *Wisconsin Employment Transportation Assistance Program* (WETAP) was able to fund 23 grants (53 projects) representing 45 counties throughout the state. Rural, urban, and suburban areas were served, and initiatives included transit expansions, car and vanpool programs, expanded Internet trip planner development, continued childcare transportation, additional mobility managers, and maintenance of car loan and repair programs. With the combination of JARC, TANF, TDM and local funds, total program funding is approximately \$10 million. The TANF funding for WETAP is eliminated in the 2003-05 state budget, which impairs the state's ability to draw down federal JARC funds.

Funding: Funding for JARC grants was authorized at \$150 million annually beginning in FY 1999, including up to \$10 million for Reverse Commute Grants. A 50/50 federal/local match is required. Other federal funds can be used as part of the local match.

The FY 2002 *Department of Transportation Appropriations Act* provided \$125 million for the JARC Program, the guaranteed funding level under TEA-21. In the FY 2002 Conference Report, the appropriators indicated their desire for of this amount to be awarded to specified States and localities.

Funding Amounts

Category	FY 2001	FY 2002
Total Federal Allocation*		\$109,339,000
Wisconsin's Share**	\$4,700,000	\$5,200,000

* *Federal Transportation Administration. Job Access and Reverse Commutes Grants. <http://www.fta.dot.gov/ww/jarcgfs.htm>*

** *Wisconsin Department of Workforce Development. www.dwd.state.wi.us/dws/programs/transportation/*

Programs/Services Funded: WETAP integrates local, state and federal funding sources into a single, coordinated program and award process administered jointly by the Wisconsin Department of Workforce Development (DWD) and Department of Transportation (WisDOT). WETAP combines funds from the federal *Job Access and Reverse Commute (JARC)* and *Transportation Assistance for Needy Families (TANF)* programs, along with the state *Transportation Employment and Mobility (TEAM)* program.

The following Wisconsin JARC projects were funded through FY 2002 WETAP awards:

Recipient	Project(s)	Amount*
Bad River Tribe	Coordinator/Transit Service	\$174,891
Central WI Community Action Council, Inc.	Mobility manager	\$114,254
Community Services of NE Wisconsin	Transit Service-Marquette & Oconto Counties	\$52,500
Dane County Human Services	Madison Metro internet, Livable communities, Employer Plus program	\$500,000
Esperanza Unida	Vehicle Repair/Donation Program	\$105,000
Fond du Lac County DSS	Taxi Guaranteed Ride, Mobility manager, Vanpool Website, Transit Training, Childcare Transportation, Auto Repair/Maint/Ins.	\$313,607
La Crosse Transit System	Service to French Island	\$120,602

United Migrant Opportunities Services	Vehicles for Employment	\$64,403
Milwaukee County Dept. of Public Works	Transit Expansion, Mobility Training	\$645,000
Milwaukee County Private Industry Council/Workforce Dev. Board	Late Night Shuttle	\$200,646
NW Concentrated Employment Program, Inc.	Rideshare hotline, Trans. Resource directory, Community coordination, Driver's education training, Wheels-to-work program	\$68,419
Kenosha Achievement Center, Inc.	Mobility Manager, Shuttle Service, Childcare to Work	\$70,385
City of Racine	Mobility Manager	\$48,750
Shawano County Job Center	Transit Service-Shawano	\$72,480
SW WI Workforce Dev. Board	Mobility Manager, Vehicle Purchase Program	\$140,541
UW Milwaukee	Milwaukee County Transit Trip Planner	\$250,000
City of Waukesha	Route 2 Extension	\$181,500
West Central Wisconsin Community Action Agency	Project Jump Start, Car Pooling, Shared Vehicles for Persons with Disabilities	\$303,025
Western Dairyland Economic Opportunity Council	Transit-Eau Claire, Vehicle repair and loan, Centralized carpool/ Employer transportation	\$147,287
Workforce Connections, Inc.	Mobility manager, Car loan/repair, Taxi expansion-Viroqua	\$126,461
Women's Employment Project	Vehicle donation program	\$20,715
YW Works	Child care transportation	\$591,853

* www.dwd.state.wi.us

Target Population: In general, TANF recipients and other low-income individuals.

Restrictions: JARC funds may not be used for planning or coordination activities, or for individual transportation purposes such as auto programs. TANF funds do not carry this restriction and are the source of funding for such projects. While the marketing and

promotion of transit pass programs are eligible expenses under the JARC Program, funding individual transit passes is not an eligible expense. Transit passes are eligible expenses under TANF or WtW programs. Additionally, the construction of childcare centers and other employment support facilities at transit hubs are not eligible for JARC grants.

Reporting Requirements: Grant recipients are required submit quarterly reports documenting service milestones such as improved access to jobs, service effectiveness and efficiency, and additional project components including promotional efforts.

Resources:

[1] Federal Transportation Administration. Job Access and Reverse Commutes Grants. <http://www.fta.dot.gov/wtw/jarcgfs.htm>

[2] Wisconsin Department of Workforce Development.

www.dwd.state.wi.us/dws/programs/transportation/mobility/JARC_Earmark.doc

[3] Don Chatfield, DOT. donald.chatfield@dot.state.wi.us.

8. Reed Act Distribution (HR 3090)

Background: Enacted in 1954, the *Reed Distribution Act* provides for transfer of excess dollars from federal unemployment trust funds to state trust funds, in the event that reserves held in the federal *Unemployment Insurance* (UI) administration, loan, and extended benefits accounts exceed a certain threshold level. The *Job Creation and Worker Assistance Act* (March 2002) allowed for the most recent distribution of funds, \$8,000,000,000. This distribution marked the largest single infusion of flexible funds into the employment and training system to date. Wisconsin received \$166,214,419 of the (FY 2002) allocation.

In general, *Reed Act* funding provides states an opportunity to make significant improvements in UI and *Employment Service* (ES) operations in areas where other grant funds have not been sufficient. There is no time limit on the use of calendar year 2002 *Reed Act* fund for administrative purposes.

Unemployment Insurance (UI) temporarily replaces a portion of earnings for wage and salary workers who become unemployed through no fault of their own. UI is financed by federal and state payroll taxes levied on employers. In general, state UI taxes only cover the cost of regular benefits and a portion of extended benefits.

In Wisconsin, the *Unemployment Insurance Advisory Committee* (UIAC) developed and endorsed a proposal for use of *Reed Act* money. To date, the Wisconsin funds that have been deposited in the Unemployment Reserve Fund and are available for payment of benefits. The Secretary has recommended using \$1 million of the total in each year of the biennium for apprenticeship program administrative expenses and up to \$2.5 million in each year for improving computer systems used to pay unemployment benefits. The latter may be repaid from future regular federal grants for administrative expenses.

Funding: States are encouraged to use money to fund either regular UI benefits or administrative costs of UI and public employment offices. The 2002 allocation specifically provides that states used funds to extend unemployment benefits to workers who do not otherwise qualify for benefits under UI laws.

In order to use this money for administration costs, a state's legislature must first appropriate it for that purpose. States are also encouraged to use *Reed Act* allocations to improve their one-stop workforce investment centers (Job Centers) or to fund job search and placement services.

Funding Formula: The following formula is used to decide each state's share of the (FY 2002) *Reed Act Distribution*:

- The amount of *Reed Act* money that would have been distributed in October 2001, disregarding the \$100 million cap placed on funds, was \$9.34 billion.

- Each state's share of the above amount, \$9.34 million, was determined based on their proportionate share of taxable wages in calendar year 2000.
- Each state's share of the \$100 million distributed in October 2001 was deducted.
- An \$8 billion cap was applied.
- Each states share was reduced proportionally, to equal \$8 billion for all states.

Funding Amounts

Category	FY 2002
Total Federal Allocation*	\$8,000,000,000
Wisconsin's Share**	\$166,214,419

* U.S. GAO Report. *Unemployment Insurance: States' Use of the 2002 Reed Act Distribution*. www.gao.gov/new.items/d03496.pdf

** Richard Tillema, DWD. dick.tillema@dwd.state.wi.us

Administration: The *Unemployment Insurance Advisory Committee* (UIAC) consists of 5 members representing major business entities and 5 representing labor throughout Wisconsin. The UIAC meets approximately once each month and receives input from the general public, legislators, and cabinet officials. Through a collective bargaining process, the Council develops recommendations to the legislature for changes to the statutes. The Council strives to balance labor and management interests, in terms of substantive policy and administrative changes that the Department proposes. The Council's recommendations are typically incorporated into a single biennial bill acceptable to both the legislature and governor.

Target Population: Unemployed workers who qualify for *Unemployment Insurance* (UI) benefits. There are no special provisions for persons with disabilities.

Reporting Requirements: States are required to report all Reed Act allocations and transactions on the ETA 8403. This report is required each month, whenever a specific allocation or transaction occurs (e.g., deposits to or withdraws from the state UI account, or enactment of state appropriates through legislative action, etc.).

Resources:

[1] U.S. Department of Labor-Employment and Training Administration - Reed Act. www.doleta.gov/youth_services/html/tegl24-01.html

[2] GAO report-*Unemployment Insurance: States' Use of the 2002 Reed Act Distribution*. www.gao.gov/new.items/d03496.pdf

[3] Wisconsin Department of Workforce Development, *Unemployment Insurance*. www.dwd.state.wi.us/ui/.

[4] Richard Tillema, DWD. dick.tillema@dwd.state.wi.us

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