Department of Economic Security
Employment & Rehabilitation Services

JLBC: Stefan Shepherd
OSPB: Matt Gottheiner *Subcommittee:* Health & Welfare

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004 OSPB	FY 2004 JLBC
OPERATING BUDGET				
Full Time Equivalent Positions	471.5	465.3	494.3	433.3
Personal Services	13,972,400	14,876,500	14,941,200	13,949,000
Employee Related Expenditures	3,598,400	3,862,900	3,746,400	3,493,900
Professional and Outside Services	561,500	262,200	262,200	250,700
Travel - In State	378,000	465,300	465,300	437,100
Other Operating Expenditures	1,759,200	1,586,300	1,561,700	1,469,900
OPERATING SUBTOTAL	20,269,500	21,053,200	20,976,800	19,600,600
SPECIAL LINE ITEMS				
JOBS	19,824,800	25,663,400	18,391,700	22,610,100
Work-Related Transportation	2,213,100	3,302,200	3,302,200	302,200
Job Search Stipends	14,300	30,000	30,000	30,000
Day Care Subsidy	108,133,900	117,220,700	128,412,800	78,997,400
Transitional Child Care	23,080,800	28,463,800	30,505,200	19,883,200
Vocational Rehabilitation Services	2,722,200	4,070,700	3,489,800	3,489,800
Developmental Disabilities Employment Support	4,256,100	5,534,400	0	0
Independent Living Rehabilitation Services	1,730,400	2,085,400	2,491,900	1,707,700
Summer Youth Employment and Training	1,000,000	1,000,000	1,000,000	0
Workforce Investment Act Programs	41,579,400	44,070,600	44,070,600	44,070,600
PROGRAM TOTAL	**224,824,500**	**252,494,400**	**252,671,000**	**190,691,600**
FUND SOURCES				
General Fund	33,111,000	34,766,900	70,983,400	15,736,900
Other Appropriated Funds				
Federal CCDF Block Grant	77,419,700	96,836,000	107,740,000	78,443,000
Federal TANF Block Grant	66,495,300	68,859,000	22,023,800	40,840,600
Job Training Fund	0	0	0	3,746,400
Special Administration Fund	3,141,200	1,585,000	1,585,000	1,585,000
Spinal and Head Injuries Trust Fund	1,601,400	2,470,000	2,378,200	2,379,000
Workforce Investment Act Grant	43,055,900	47,977,500	47,960,600	47,960,700
SUBTOTAL - Other Appropriated Funds	191,713,500	217,727,500	181,687,600	174,954,700
SUBTOTAL - Appropriated Funds	**224,824,500**	**252,494,400**	**252,671,000**	**190,691,600**
TOTAL - ALL SOURCES	224,824,500	252,494,400	252,671,000	190,691,600

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC $ Change	FY 2003 to FY 2004 JLBC % Change
General Fund	(19,030,000)	(54.7%)
Other Appropriated Funds	(42,772,800)	(19.6%)
Total Appropriated Funds	(61,802,800)	(24.5%)

COST CENTER DESCRIPTION — *This program provides: 1) employability services to Temporary Assistance for Needy Families (TANF) recipients through the Job Opportunity and Basic Skills (JOBS) training program; 2) child care subsidy programs; 3) rehabilitative services to individuals with disabilities; and 4) job training opportunities to economically disadvantaged adults and youth. Several 100% federally funded programs are located in this division, such as the Unemployment Insurance benefit program and the Workforce Investment Act programs.*

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Recommend.
• Number of TANF recipients who obtained employment	12,264	16,065	12,264	16,065
• Average cost per JOBS participant in all work activities (in $)	771	895	771	895
• % of customer satisfaction with child care	91.0	91.9	91.5	93.0
• Vocational Rehabilitation individuals successfully rehabilitated	2,197	1,887	2,307	2,045

Comments: DES reports that the ability to report placements in jobs for a longer amount of time contributed to the higher number of TANF recipients.

RECOMMENDED CHANGES FROM FY 2003

		FY 2004
Standard Changes	**GF**	**$ (14,800)**
	OF	**(109,200)**

Operating Lump Sum Reduction	**GF**	**(427,700)**
	OF	**(949,900)**

The JLBC recommends a General Fund and Federal TANF Block Grant decrease and (10) GF and (22) TANF FTE Positions for a 15% lump sum reduction in operating administrative expenses. The General Fund reduction is applied to non-welfare related spending in order to maintain Federal Maintenance of Effort requirements.

JOBS Reduction **OF** **(3,000,000)**

The JLBC recommends a Federal TANF Block Grant decrease for a reduction in JOBS services. This reduction would eliminate job training services to approximately 967 clients receiving TANF Cash Benefits each month.

Job Training Tax Fund Shift	**GF**	**(3,746,400)**
	OF	**3,746,400**

The JLBC recommends a General Fund decrease and corresponding Job Training Fund increase to shift funding for welfare job training programs. The recommendation also includes a shift of 50 FTE Positions. The Job Training Fund would fund a portion of the division's operating budget and the JOBS Special Line Item. The Job Training Fund is administered by the Department of Commerce and provides funds to help companies train workers. It is funded by a 0.1% payroll tax on employers.

Work-Related Transportation Reduction **OF** **(3,000,000)**

The JLBC recommends a Federal TANF Block Grant decrease to eliminate information and availability-related transportation grants. These grants help welfare clients find and have better access to transportation.

Low Income Working Child Care Reduction	**GF**	**(7,449,000)**
	OF	**(27,774,300)**

The JLBC recommends a General Fund, Federal Child Care Development Fund (CCDF) Block Grant, and Federal TANF Block Grant decrease associated with reducing child care subsidies to low-income working families. This reduction would eliminate services to approximately 10,477 children receiving about $280.15 in subsidies each month. It is estimated that this reduction will eliminate subsidies to those making between 130% and 165% of the Federal Poverty Level.

One-Time 6th Special Session Child Care Funding **OF** **(3,000,000)**

The JLBC recommends a Federal CCDF Block Grant decrease associated with backing out one-time monies added in the 6th Special Session. This reduction would eliminate services to approximately 892 children receiving about $280.15 in subsidies each month.

Eliminate 2nd Year of Transitional Child Care **OF** **(8,580,600)**

The JLBC recommends a Federal TANF Block Grant decrease to eliminate the 2nd year of transitional child care. This reduction would limit to 12 months child care subsidies for clients who no longer receive TANF Cash Benefits due to finding employment. The reduction would eliminate services to approximately 2,409 children receiving approximately $296.82 in subsidies each month.

Child Care Realignment **OF** **0**

The JLBC recommends a Federal CCDF Block Grant and a 14.6 FTE Position increase and a corresponding Federal TANF Block Grant and (14.6) FTE Position decrease along with realignment of these funding sources. The recommended realignment is shown in the table below:

Program/Line Item	TANF Amount ($ in 000's)	CCDF Amount ($ in 000's)
Operating	(605.5)	605.5
Day Care Subsidy	18,444.4	(18,444.4)
Trans. Child Care	(17,838.9)	17,838.9
Total	0.0	0.0

Zero-Base Independent Living Rehabilitation Services **GF** **(784,200)**

The JLBC recommends zero-base budgeting the General Fund portion of the Independent Living Rehabilitation Services program. During the session, the Appropriations Committees will review the various components of the program's budget for its statutory basis, funding history, appropriateness, and cost-effectiveness and determine a

proper funding level for the program. The zero-base budgeting process will allow the Committees to identify spending overlaps and to explore whether a program is efficiently and officially meeting its mission. This program assists severely disabled individuals to live more independently by purchasing technology assistance and independent living skills training, and by providing eye exams and glasses to financially needy persons.

Eliminate Summer Youth Employment and Training Program **GF (1,000,000)**

The JLBC recommends a General Fund decrease for eliminating the Summer Youth Employment and Training program. This program funds summer youth employment and training for at-risk youth and is distributed directly to county governments as specified by law. *(See JLBC Recommended Statutory Changes for more information.)*

Technical Realignment **GF (5,607,900)**
OF (105,200)

The JLBC recommends a General Fund, Federal CCDF Block Grant, and Spinal and Head Injuries Trust Fund decrease for technical realignments in the department. (*Please see the Agency Summary for realignment details.*)

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JLBC RECOMMENDED FORMAT — Detailed Line Item for the Program. *(In the FY 2003 budget, the division had an Operating Lump Sum with Special Line Items for the Program format.)*

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

It is the intent of the Legislature that the $22,610,100 appropriated for JOBS may be used to support nonpermanent and seasonal positions to fulfill federal program requirements when contracts for services cannot be established with outside parties. The use of such positions shall be reported to the Director of the Joint Legislative Budget Committee.

It is the intent of the Legislature that the department shall use $4,500,000 of the monies appropriated for the JOBS Special Line Item for contracts with education and training entities. These contracts shall focus on assisting JOBS clients in obtaining jobs paying, on average, $10 per hour or more. The department shall report to the Joint Legislative Budget Committee by October 15, 2004 on these efforts. The report shall include expenditure details and placement data.

Of the $75,997,400 appropriated for Day Care Subsidy, $51,644,200 is for a program in which the upper income limit is 135% of the federal poverty level. This provision may not be construed to impose a duty on an officer, agent or employee of the state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the $51,644,200 appropriation.

All Spinal and Head Injuries Trust Fund receipts received by the Department of Economic Security in excess of $2,379,000 are appropriated to the Independent Living Rehabilitation Services Special Line Item. Before the expenditure of any Spinal and Head Injuries Trust Fund receipts in excess of $2,379,000, the Department of Economic Security shall submit the intended use of the monies for review by the Joint Legislative Budget Committee.

All federal Workforce Investment Act funds that are received by the state in excess of $47,960,700 are appropriated to the Workforce Investment Act Programs Special Line Item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the Joint Legislative Budget Committee.

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote regarding JOBS spending on former TANF clients.

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends: 1) deleting statutory references to the Summer Youth Employment Training Program; 2) modifying the upper income limit for low income child care in statute to 135% FPL; 3) changing the maximum amount of time for Transitional Child Care in statute from 24 to 12 months; 4) modifying the list of purposes the Job Training Fund can be used for to include job training for welfare clients.

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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