

THE STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

Minutes of the Special Meeting Under s. 13.10

December 16, 2003

Co-chair Kaufert presided and called the meeting to order at 1:45 p.m.

Present: Senators Darling, Welch, Fitzgerald, Lazich, Harsdorf, Kanavas, M. Meyer, Moore
Representatives Kaufert, Huebsch, Ward, Stone, Rhoades, D. Meyer, Krug, Schooff
Absent: None

Note: The Senate Majority Leader designated Senator M. Meyer to take the place of Senator Decker for this meeting.

I. Department of Natural Resources

Moved by Senator Darling and seconded by Representative Kaufert to provide 7.0 FTE PR-S positions and \$315,700 PR-S in fiscal year 2003-04 and \$585,100 PR-S in fiscal year 2004-05 in the appropriation under s. 20.370(3)(mk) for the Department's Office of Energy. In addition, delete 7.0 FTE SEG positions beginning in fiscal year 2003-04 from the Department's Division of Administration and Technology [s. 20.370(8)(mu)]. Further, increase expenditure authority in the Public Service Commission's appropriation under s. 20.155(1)(g) by \$315,700 PR in fiscal year 2003-04 and \$585,100 PR in fiscal year 2004-05 to properly reflect the increased assessments to utilities and the anticipated payments to the Department's.

Ayes, 16; Noes, 0

Secretary's Note: The positions and funding provided to the Department's Office of Energy will implement a memorandum of understanding with the Commission under which the Commission will provide funding to the Department's for environmental review of energy construction projects.

II. Department of Workforce Development

Moved by Representative Huebsch and seconded by Representative Kaufert to increase the Department's appropriation for federal block grant aids [s. 20.445(3)(md)] by \$1,903,800 FED in

fiscal year 2003-04 to partially offset the reductions to the current W-2 agency contracts required under 2003 Wisconsin Act 33. In addition, transfer \$5,244,900 FED in fiscal year 2003-04 and \$10,489,900 FED in fiscal year 2004-05 in temporary assistance to needy families (TANF) funding from the Department's appropriation for federal block grant aids [s. 20.445(3)(md)] to the Joint Committee on Finance's federal program supplements appropriation [s. 20.865(4)(m)]

JED
Vetoed
in Part

Ayes, 13; Noes, 3 [Krug, Schooff, M. Meyer]

Moved by Representative Huebsch and seconded by Senator Darling to direct the Department's to discontinue implementation of a transitional subsidized private sector jobs program under W-2 unless separate legislation is enacted to specify eligibility criteria, employer reimbursements, details regarding the employer-employee relationship between the participant and the employer, and other program parameters.

JED
Vetoed
in Part

Ayes, 12; Noes, 4 [Krug, Schooff, M. Meyer, Moore]

Moved by Senator Moore and seconded by Senator Darling to provide \$150,000 FED in fiscal year 2003-04 to the Department's to provide grants, directly or through the Department of Health and Family Services, for programs provided through the Refugee Family Strengthening Project. Provide these monies from federal temporary assistance to needy families (TANF) high-performance bonus funds received by the state in fiscal year 2003-04.

Ayes, 12; Noes, 4 [D. Meyer, Fitzgerald, Lazich, Kanavas]

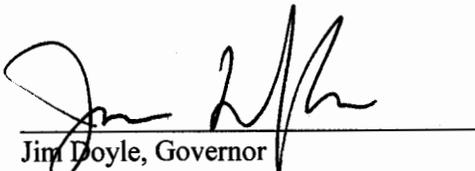
Secretary's Note: The \$150,000 FED would be provided in the appropriation under s. 20.445(3)(md).


Kirsten Grinde, Acting Secretary

Date: 1-8-04


Dean R. Kaufert, Co-Chair

Date: Jan. 8, 2004


Jim Doyle, Governor

Date: 1/9/04



JIM DOYLE
GOVERNOR
STATE OF WISCONSIN

January 9, 2004

The Honorable Alberta Darling, Co-Chair
Joint Committee on Finance
State Capitol, Room 317 East
Madison, Wisconsin 53707

The Honorable Dean Kaufert, Co-Chair
Joint Committee on Finance
State Capitol, Room 308 East
Madison, Wisconsin 53708

Dear Senator Darling and Representative Kaufert:

Attached are the signed minutes of the December 16, 2003, section 13.10, Wisconsin Statutes, meeting.

Pursuant to section 13.10(4), Wisconsin Statutes, I am objecting to the Committee's action under one item of the minutes.

Regarding item II, motion #926 was divided into two questions. Under the first question [paragraph (a)], the Committee approved two actions:

- first, an increase in the Department of Workforce Development's appropriation for federal block grant aids [s. 20.445(3)(md)] by \$1,903,800 FED in 2003-04, to partially offset the reductions to the current Wisconsin Works (W-2) agency contracts required under 2003 Act 33;
- second, the requirement that the Department transfer \$5,244,900 FED in 2003-04 and \$10,489,900 FED in 2004-05 in Temporary Assistance for Needy Families (TANF) funding from its appropriation for federal block grant aids [s. 20.445(3)(md)] to the Committee's federal program supplements appropriation [s. 20.865(4)(m)]. The amount to be transferred includes \$14,910,000 budgeted in the 2003-05 biennium for

W-2 contracts that the Department had set aside for its planned transitional jobs demonstration project in Fond du Lac and Milwaukee counties. Also included in the transferred amount is \$824,800 budgeted in the 2003-05 biennium for W-2 contracts that the Department had set aside as W-2 consortium incentive funding, but which had not been requested by W-2 agencies as of December 16, 2003.

Under the second question for motion #926 [paragraph (b)], the Committee directed the Department to discontinue implementation of a transitional subsidized private sector jobs program under the W-2 program, unless separate legislation is enacted to specify eligibility criteria, employer reimbursements, details regarding the employer-employee relationship between the participant and the employer, and other program parameters.

I object to the transfer of funds from the Department to the Committee's supplemental appropriation [under paragraph (a) of motion #926]. I also object to the Committee's action to prohibit the Department from implementing a transitional subsidized private sector jobs program under the W-2 program unless separate legislation is enacted [under paragraph (b) of motion #926]. Therefore, I am vetoing these two items.

The state will benefit greatly from a transitional jobs program. The experience of transitional jobs programs around the country suggests there are many benefits to be realized for participants, their children and employers. Transitional jobs better prepare individuals for the demands and rewards of a real job. Further, placement in a transitional job permits participants to receive the federal and state Earned Income Tax Credit (EITC), thereby increasing their disposable income and ensuring that they can meet their families' needs. Finally, given the expected increase in retirements over the next few years, Wisconsin employers will benefit from having opportunities to train additional employees.

Preserving the Department's authority to implement the planned transitional jobs demonstration project will allow the state to move forward on this very important project without further delay. Implementation of the demonstration project on a timely basis will also enable the Department to enter into an agreement for independent evaluation of the project by the Manpower Demonstration Research Corporation, a highly respected organization with years of experience in evaluating welfare programs. This evaluation would come at no expense to the state. However, if the Department is not permitted to begin the transitional jobs demonstration project soon, we will miss our opportunity to evaluate how transitional jobs work in Wisconsin.

In addition, the Committee's action was based, in part, on the assumption that creating a transitional jobs option would expand the W-2 program. This is incorrect. The funds that the Department had set aside for the transitional jobs demonstration project and the W-2 consortium incentive funding were part of the larger allocation for W-2 contracts. The transitional jobs program was intended to serve a portion of the *existing* W-2 population, by serving as an alternative to the W-2 Community Service Job placement. The consortium incentive funding would have been used by W-2 agencies to improve efficiencies in the delivery of services to the *existing* W-2 population. Neither the transitional jobs program nor the consortium incentive funding were intended to increase the overall costs of the W-2 program. Even though the Committee moved to prohibit the implementation of the transitional jobs programs, the W-2 program must serve the same number of individuals. Therefore, it was inappropriate to transfer those funds out of the Department's allocation for W-2 contracts.

Finally, I have serious concerns regarding the Committee's legal authority to prevent implementation of the transitional jobs program. Under s. 13.101(4), the Committee does have the authority to transfer funds between appropriations and program, but only to the extent that legislative intent, as expressed in current law, will not be changed as the result of such transfer. I believe the Committee's action does not preserve legislative intent as expressed in the budget bill I signed with vetoes as 2003 Wisconsin Act 33.

Under Act 33, the Department has the authority to "continue the creation and implementation of a subsidized work program [transitional jobs] under the W-2 program". That authority resulted from my veto of the language added by the Legislature in the 2003-05 budget bill that would have required the Department to simply study the creation and implementation of a subsidized work program and propose separate legislation concerning such a program at a later time. However, the Legislature did not override that veto. Therefore, the Department's authority to move forward with a transitional jobs program became law under 2003 Act 33.

The Committee has in effect circumvented legislative intent by transferring funds from the Department to the Committee's supplemental appropriation and by including the prohibition against implementing a transitional jobs program under motion #926. While I have the utmost respect for the Joint Committee on Finance and its authority, this action gives it the power of the full Legislature. Acting in lieu of the duly elected 132 members of the full Legislature raises serious constitutional questions.

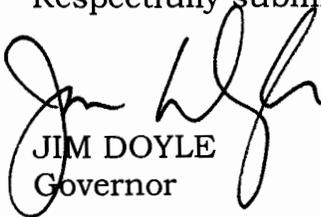
Senator Darling, Representative Kaufert

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My partial veto of the Committee's actions preserves the Department's current law authority to implement a transitional jobs demonstration project under the W-2 program, and retains funding for the W-2 program, as included under Act 33. Nonetheless, my administration remains committed and looks forward to working with the Legislature on finding a way to implement a transitional jobs program that will help existing members of the W-2 population gain meaningful employment for the benefit of the entire state.

Respectfully submitted,



JIM DOYLE
Governor