



Legislative Fiscal Bureau

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May 5, 2005

Joint Committee on Finance

Paper #845

Gaming Economic Development and Diversification Program and Tribal College Funding (Commerce and DWD -- Employment, Training, and Vocational Rehabilitation Programs)

[LFB 2005-07 Budget Summary: Page 108, #13 and Page 544, #24]

CURRENT LAW

The Department of Commerce is required to transfer \$300,000 annually from its appropriation for the gaming economic development and diversification grant and loan program to the Wisconsin Technical College System (WTCS) to fund work-based learning grants to tribal colleges. The source of funding is tribal gaming revenues.

GOVERNOR

Increase Commerce's gaming economic development and diversification grant and loan program appropriation by \$300,000 PR annually to increase the required transfer for grants to tribal colleges by the same amount.

A separate provision of the bill would transfer the tribal college grant program from WTCS to the Governor's Work-Based Learning Board. The issues of which agency should be responsible for administering the grants to tribal colleges and the amount of funding that should be provided for the grants are addressed in LFB Paper #846.

DISCUSSION POINTS

1. Current law requires the funding for grants to tribal colleges to be appropriated twice--first in Commerce and again in WTCS. Essentially, the appropriation in Commerce acts as a pass-through account for these funds, which results in double-counting these expenditures.

Revenues for the tribal college grants would continue to be passed through the Commerce appropriation under the bill.

2. Commerce does not have any discretion as to whether the funding will be transferred to WTCS (or to the Work-Based Learning Board under the bill) and does not play any role in administering the grants to tribal colleges. However, under the current arrangement, any unspent funding for tribal college grants at the end of the first fiscal year of a biennium would revert back to Commerce's appropriation and could be used for economic development and diversification grants and loans in the second year of the biennium. To date, no funds have reverted back to Commerce under this provision.

3. The Committee could amend the bill to reduce expenditure authority in Commerce's appropriation by \$600,000 PR annually, eliminate the required transfer, and instead appropriate these funds directly to the agency that is required to administer the tribal college grants. This option would eliminate the double-count and the involvement of Commerce's appropriation in funding the grants. If any funds were not spent, they would revert back to the Department of Administration's (DOA's) Indian gaming receipts appropriation rather than to Commerce's appropriation.

4. As noted, the amount of funding for the tribal college grants and the issue of which agency will administer them are addressed in LFB Paper #846.

ALTERNATIVES

1. Reduce expenditure authority in Commerce's appropriation for the gaming economic development and diversification grant and loan program by \$600,000 PR annually, eliminate the required transfer of \$600,000 annually for work-based learning grants to tribal colleges, and instead appropriate these funds directly to the agency that is required to administer the work-based learning grants (LFB Paper #846). In addition, specify that any unspent funds for tribal college grants would revert back to DOA's Indian gaming receipts appropriation rather than to Commerce's appropriation.

Alternative 1	PR
2005-07 FUNDING--Commerce (Change to Bill)	- \$1,200,000

2. Maintain the current arrangement, which requires funding for work-based learning grants for tribal colleges to be passed through Commerce's appropriation for the gaming economic development and diversification grant and loan program. Adjust expenditure authority in Commerce's appropriation if the amounts appropriated for the tribal college grants under the bill are modified (LFB Paper #846).

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