



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #815

Program Revenue Reestimates (DWD)

CURRENT LAW

Under current law, the Division of Vocational Rehabilitation (DVR) in the Department of Workforce Development (DWD) has program revenue appropriations for: (a) enterprises and services for blind and visually impaired; (b) supervised business enterprise; and (c) gifts and grants. The enterprises and services for blind and visually impaired appropriation provides funding in support of the supervised business enterprise program and is funded through charges on the net proceeds of products and services sold by businesses operating under the program. The supervised business enterprise appropriation derives revenues through charges on the net proceeds of vending machine sales by blind operators, who participate in the supervised business enterprise program, which are used to support the program. DVR uses the gifts and grants appropriation for the execution of its functions consistent with the purpose of the gift, grant, or bequest.

Program revenues generated from the enterprises and services for blind and visually impaired appropriation that are used toward the business enterprise program qualify as federal matching funds for DVR services. These revenues are matched at a ratio of 21.3% state funds to 78.7% federal funds, similar to general fund revenue used in support of DVR services. Therefore, an increase or reduction in expenditure authority in this appropriation would affect the amount of federal monies that could be drawn down in support of DVR services.

GOVERNOR

Provide total expenditure authority of \$329,700 PR in 2011-12 and 2012-13 to these three appropriations:

<u>Fund</u>	<u>Appropriation</u>	<u>Annual Amount</u>
PR	Enterprises and services for blind and visually impaired	\$213,000
PR	Supervised business enterprise	116,700
PR	Gifts and grants	<u>0</u>
	Total	\$329,700

MODIFICATION

Reestimate the amount of program revenues generated from these three appropriations and provide annual expenditure authority in the following amounts:

<u>Fund</u>	<u>Appropriation</u>	<u>Annual Amount</u>	<u>Change to Bill</u>
PR	Enterprises and services for blind and visually impaired	\$106,500	-\$106,500
PR	Supervised business enterprise	170,000	53,300
PR	Gifts and grants	<u>1,000</u>	<u>1,000</u>
	Total	\$277,500	-\$52,200

Explanation: DWD indicates that this modification would be a more accurate estimate of revenues that would accrue to these three program revenue appropriations.

As a result of the reduced estimate for the enterprises and services for blind and visually impaired appropriation, it is estimated that the state would not be able to draw down federal DVR monies in the amount of \$393,500 annually. The reduction in federal dollars is discussed in more detail in the Issue Paper #810, Funding for Vocational Rehabilitation Case Service Aids.

Change to Bill Funding	
PR	- \$104,400
FED	<u>- 787,000</u>
Total	- \$891,400

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