

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-1191/2</b>	<b>Introduction Number</b> <b>AB-228</b>	
<b>Subject</b> Youth apprenticeship grants for health care and health care technology training		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs      3. <input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>CESA</u> <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445(1)(a),(1)(e)		
<b>Agency/Prepared By</b> DWD/ Karla Roder (608) 266-8164	<b>Authorized Signature</b> Terry Craney (608) 264-6808	<b>Date</b> 3/16/2005

## Fiscal Estimate Narratives

DWD 3/17/2005

LRB Number	05-1191/2	Introduction Number	AB-228	Estimate Type	Original
<b>Subject</b>					
Youth apprenticeship grants for health care and health care technology training					

### Assumptions Used in Arriving at Fiscal Estimate

- 1) The Governor's Work Based Learning Board (GWBLB) currently administers a youth apprenticeship grant program. Current (base) funding for the program is \$1,100,000 annually.
- 2) This bill would provide increased funding of \$1,400,000 annually, for total funding of \$2,500,000 per year. The bill includes a non-statutory provision stating that the intent of the new funding is "for programs that are targeted at providing training and state-required exit testing in the areas of health care and health care technology."
- 3) In addition, the bill would create a new provision of the statutes requiring the GWBLB to "establish criteria for a grant under this subsection," which would apply to both current funding and the additional funding that would be provided under the bill. The new provision further provides, "Those criteria shall ensure that those grants will be distributed throughout all geographic areas of the state and in both rural and urban communities."
- 4) Since participation in the Youth Apprenticeship program is voluntary, it is difficult to know whether any conflicts will be experienced between the goal of distributing funds throughout all geographic areas and the intent of the bill to target local partnerships willing and able to focus on "training and state-required exit testing in the areas of health care and health care technology". However, it is assumed compliance with this requirement will not be particularly difficult because, grants provided under current-law funding have shown a well-disbursed distribution throughout the state and between urban and rural areas. In addition, about one third of the funding distributed under current law could be associated with health-care and health-care technology fields. The additional funding should ensure that the intent can be met without negatively affecting other programs currently funded.
- 5) The estimate indicates that it would not be possible to absorb the bill's cost within base funding because, without the additional appropriation included in the bill, the Board would not be able to provide \$1,400,000 per year exclusively for health-care related apprenticeships within base funding of \$1,100,000/year.
- 6) The bill will require additional staff time during at least the first year to review geographical eligibility or selection criteria and identify clinical or other health-care employer settings willing and able to sponsor high-school-aged apprentices. In addition, the GWBLB will need to establish policies and procedures to accomplish the assumed intent to address the out-of-pocket costs entrants into certain nursing or other health care professions may experience for state-required testing. However, with some caveats (see following points), it is anticipated that the current GWBLB administrative funding and staffing is likely to be sufficient to absorb this additional workload.
- 7) In the 2001-03 biennium, the GWBLB administered \$2,203,000 in annual funding for Youth Apprenticeship (YA) Grants. The Board had 15.7 authorized positions, 5.7 of which were GPR funded, which were associated with the administrative costs of the YA program, as well as smaller grant programs for School-to-Work Programs for Children at Risk and Native American Tribal Colleges. The 2003-05 biennial budget transferred these two programs to the Technical College System Board and reduced the Board's administrative positions to 12 overall, 3 of which are GPR funded. Pending AB 100 would transfer the two WTCSB programs back to the GWBLB.
- 8) Pending AB 100 would reduce GPR operations funding for the Board by \$36,900/year and eliminate 1.2 authorized FED positions for which no federal funding is currently available. Assuming adoption of standard budget adjustments, these provisions together would leave \$597,300 in annual GPR operations funding for GWBLB operations. It is assumed this would be sufficient funding to administer the expanded YA grant program, although some discrepancy would continue to exist between GPR position authority and associated programs. The bill's effective date assumes prior passage of the biennial budget. If the administrative resources included in the enacted biennial budget are significantly different than those contained within AB 100, the feasibility of absorbing the expanded program could be affected.
- 9) Under the "fund source affected," we identified the current-law chapter 20 appropriations for general operations at 20.445 (1) (a) and YA grants at 20.445 (1) (e). AB 100 would create a new operations appropriation unique to the Board at s20.445(7) (a), renumber the YA grant appropriation to s.20.445 (7) (b) and amend it to be a biennial appropriation. If these provisions are included in the enacted biennial budget,

the author or drafter may wish to review this bill for conformity with those changes.

10) Since the majority (30 of 35) of the grants awarded are to school districts, technical college districts or CESA districts the \$1,250,000 of the \$1,400,000 this bill would provide is categorized as "Local Assistance" on the Fiscal Estimate Worksheet. The \$150,000 shown as "Aids to Individuals or Organizations" is an estimate of the benefit to students assuming the intent to offset the cost of state-required exit testing for example the Certified Nursing Assistant (CNA) test, assuming 1,500 qualifying students @ \$100 per test).

### **Long-Range Fiscal Implications**

Because of the expected growth in demand for high school graduates with experience in health care fields, and given the GWBLB's experience with similar programs, it is assumed that for the foreseeable future, it will be possible to fully distribute funding in conformity with the intent of this bill. In conformity with usual budget conventions, it is assumed that the funding level for 2006-07 would establish a base for future biennia. However, because a sum-certain amount would continue to be provided for grants on an annual (or, based on provisions of AB 100, biennial) basis, this amount would not be exceeded.

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number 05-1191/2</b>		<b>Introduction Number AB-228</b>	
<b>Subject</b>			
Youth apprenticeship grants for health care and health care technology training			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	1,250,000		
Aids to Individuals or Organizations	150,000		
<b>TOTAL State Costs by Category</b>	<b>\$1,400,000</b>	<b>\$</b>	
<b>B. State Costs by Source of Funds</b>			
GPR	1,400,000		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,400,000	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DWD/ Karla Roder (608) 266-8164		Terry Craney (608) 264-6808	3/16/2005