

Fiscal Estimate - 2005 Session

Original
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 Corrected
 Supplemental

LRB Number 05-1191/2	Introduction Number AB-228	
Subject Youth apprenticeship grants for health care and health care technology training		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <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		
Fund Sources Affected Affected Ch. 20 Appropriations <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)		
Agency/Prepared By DWD/ Karla Roder (608) 266-8164	Authorized Signature JoAnna Richard (608) 267-3200	Date 11/14/2005

Fiscal Estimate Narratives

DWD 11/14/2005

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

Assumptions Used in Arriving at Fiscal Estimate

Assumptions used:

- 1) Act 25 repealed the Governor's Work Based Learning Board (GWBLB) and assigned the Division of Workforce Solutions in Department of Workforce Development to administer the youth apprenticeship grant program. Current (base) grant funding for the program is \$1,100,000 annually.
- 2) This bill would provide increased grant 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 DWD 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, DWD would not be able to provide \$1,400,000 per year exclusively for health-care related apprenticeships within base funding of \$1,000,000/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 DWD 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.
- 7) In the 2001-03 biennium, the GWBLB administered \$2,203,000 in annual funding for Youth Apprenticeship (YA) Grants. The Board had 5.7 GPR-funded positions, 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 GPR- funded positions to 3.0, including the Executive Director. The 2005-07 biennial budget, 2005 Act 25, repealed the GWBLB, reduced GPR-funded positions to 2.0, reflecting elimination of the Executive Director's position, and reduced GPR funding by \$114,800 for that position. In addition, Act 25, reduced GPR funding by \$36,900 for the across-the-board efficiencies recommended by the Governor, and transferred the youth apprenticeship program to the DWD/DWS. Finally, this GPR fund source received an additional reduction of \$48,950 in SFY06 and \$49,700 in SFY07 reflecting DWD's share of Act 25's additional "2.3%" reduction in GPR-funded state operations. This limited GPR source is subject to additional reductions or payments to DOA during the current biennium. At present, the amount or extent of reductions are not known.
- 8) After the reductions detailed above, DWD/DWS funding previously associated with youth apprenticeship program administration is 2.0 GPR positions and \$433,500. It is not feasible for the department to absorb the administrative duties within the current GPR position authority. An additional 1.0 FTE would be needed. Assuming the position would be classified as a Program and Planning Analyst – Adv, the projected annual cost

would be \$84,000, which includes salary, fringe and supplies-and- services. Due to the uncertainty of the GPR administrative funding, the Department assumes it cannot absorb the administrative costs for the additional position.

9) 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

Long-Range fiscal implications:

Because of the expected growth in demand for high school graduates with experience in health-care fields, and given the staff 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 basis, this amount would not be exceeded.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 05-1191/2		Introduction Number AB-228	
Subject			
Youth apprenticeship grants for health care and health care technology training			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$58,400	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		25,600	
Local Assistance		1,250,000	
Aids to Individuals or Organizations		150,000	
TOTAL State Costs by Category		\$1,484,000	\$
B. State Costs by Source of Funds			
GPR		1,484,000	
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$1,484,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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