



Fiscal Estimate Narratives

DWD 2/22/2013

LRB Number	13-1521/2	Introduction Number	AB-0014	Estimate Type	Original
<b>Description</b> Workforce training, granting rule-making authority, and making appropriations					

**Assumptions Used in Arriving at Fiscal Estimate**

Bill AB 14, if enacted into law, would provide workforce training grants to public and private organizations in each state fiscal year 2014 and state fiscal year 2015 of \$7,500,000 per year.

This bill would provide on an ongoing basis funds for 4 FTE (positions), as well as software and database tools to identify and enroll workers into private and public training programs. The training programs shall meet both employers' and the workers' needs.

The total annual salary costs of the four positions are estimated to be \$237,300 and the fringe costs about \$113,900 per year. Supplies and services costs to support the new positions are estimated to be \$83,300 annually. The balance of the administration allocation will be used for necessary Information Technology. DWD will be utilizing the assistance of the DWD Bureau of Information Technology Services (BITS) to modify the current program tracking system with the necessary program data elements. In addition, new software will be purchased through Department of Administration's (DOA) Master Lease program. DOA would then be reimbursed on an annual basis under the master lease program through the funding DWD receives from this bill. DWD BITS and software costs are unknown at this time as proposals for the purchase of software have not been received by vendors at this time. Total annual administration costs for the workforce training program will be identified by July 1, 2014.

**Long-Range Fiscal Implications**

The new initiative this bill will fund is projected to provide a return on the investment by adding to Wisconsin's workforce skills which match employers' needs. Workers with the right training will be quickly employed and employers will not need to look beyond Wisconsin for the skilled workforce they need. Thus, our investment will be offset by increased revenues from taxable wages and increased taxable employer income. Though, the amount of increased revenue cannot be projected at this time.

To ensure the grants are properly utilized and the training program is working as intended, funds are provided for audit and inspection activities. Recipients may be required to match the state investment of grants with their own funds.

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
The cost of software will be amortized through a master lease program with the assistance of the Department of Administration. The less material one-time start up costs of individual computer equipment and furniture was estimated to be just \$11,500.			
<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		\$351,200	\$
(FTE Position Changes)		(4.0 FTE)	
State Operations - Other Costs		2,808,800	
Local Assistance			
Aids to Individuals or Organizations		7,500,000	
<b>TOTAL State Costs by Category</b>		<b>\$10,660,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		10,660,000	
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, ets.)</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		\$10,660,000	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>			
DWD/ David Cipra (608) 267-7713		<b>Authorized Signature</b>	
		Georgia Maxwell (608) 266-2284	
			<b>Date</b>
			2/22/2013