Fiscal Estimate - 2017 Session

☒ Original   ☐ Updated   ☐ Corrected   ☐ Supplemental

LRB Number **17-1557/1**	Introduction Number **SB-127**

Description
career and technical education incentive grants and making an appropriation

Fiscal Effect

State:
☐ No State Fiscal Effect
☒ Indeterminate

☐ Increase Existing Appropriations	☐ Increase Existing Revenues	☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
☐ Decrease Existing Appropriations	☐ Decrease Existing Revenues	
☐ Create New Appropriations		☐ Decrease Costs

Local:
☐ No Local Government Costs
☒ Indeterminate

1. ☐ Increase Costs   3. ☐ Increase Revenue
    ☐ Permissive ☐ Mandatory   ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs   4. ☐ Decrease Revenue
    ☐ Permissive ☐ Mandatory   ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns   ☐ Village   ☐ Cities
☐ Counties   ☐ Others
☒ School Districts   ☐ WTCS Districts

Fund Sources Affected
☒ GPR   ☐ FED   ☐ PRO   ☐ PRS   ☐ SEG   ☐ SEGS

Affected Ch. 20 Appropriations
20.445 (1) (c) (Newly created appropriation)

Agency/Prepared By	Authorized Signature	Date
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LRB Number **17-1557/1**	Introduction Number **SB-127**	Estimate Type **Original**
Description		
career and technical education incentive grants and making an appropriation		

Assumptions Used in Arriving at Fiscal Estimate

This bill removes the per pupil limitation on career and technical education incentive grants that the Department of Workforce Development (DWD) awards to school districts.

Under current law, DWD must award a grant to a school district in the amount of $1,000 per pupil who, in the prior school year, obtained a high school diploma and successfully completed an industry-recognized certification program approved by DWD. Under the bill, DWD must award $1,000 for each certification program completed by a pupil. The bill also changes the funding of the program from a sum certain to a sum sufficient.

Both the Department and DWD are involved in the certificate verification process. In 2014-15 there were 2991 eligible claims submitted by 224 school districts. Those school districts received $1,000 per qualified claim. There were another 471 claims that were deemed ineligible, including 148 students reported as earning more than one certificate.

In 2015-16 there were 3,934 eligible claims submitted by 265 school districts. Claims were prorated and schools received $762.58 per qualified student. There were another 657 claims that were deemed ineligible, including 308 students reported as earning more than once certificate.

Payments to be made for the current year (2016-17) are not yet known at this time as data from the prior year (2015-16) is still being reviewed. It is unknown the extent eligible claims could potentially exceed the appropriation for this year.

It is anticipated that costs for this program will increase as the number of eligible students grows, including students earning more than one certificate. However, it is unknown how many additional students will qualify in future years and the potential growth in the number of approved certificate programs offered by school districts. As such, the fiscal estimate is indeterminate.

But by using 2015-2016 as an example, we can estimate the additional expenditures for that year if the appropriation had been sum sufficient:

1. No proration for eligible claims would have resulted in an additional expenditures of $934,000.

2. Removing the limit on the number of approved certificate per pupil would have resulted in an additional (308 x 1000) = $308,000 of expenditures.

This would have resulted in a total of $ 1,242,000 in increased expenditures if the provisions of this bill had been in place in FY16.

State: Indeterminate, but potential for increased expenditures.

Local: Potential for increased revenues.

Long-Range Fiscal Implications

It is anticipated that costs for this program will increase over time due to a number of factors. For example, the number of eligible claims could potentially grow due to an increase in the number of students earning

more than one certificate. Furthermore, increases in the number of approved certificate programs offered by school districts in future years may provide more opportunities for students to earn industry-recognized certificates.

However, it is not possible to predict the level of those future changes so the long-range fiscal impact is indeterminate.