



## Fiscal Estimate Narratives

DWD 3/12/2018

LRB Number	17-5258/1	Introduction Number	SB-732	Estimate Type	Original
<b>Description</b> grants for certain University of Wisconsin and technical college graduates who paid nonresident tuition; granting rule-making authority; and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Workforce Development (DWD) to establish a ten-year program for making annual grants to individuals who were charged nonresident tuition by and completed an educational program, including an apprenticeship, at Wisconsin technical colleges or University of Wisconsin System universities or colleges. DWD must promulgate rules establishing requirements and procedures for applying for and making the grants.

The bill allows an individual to receive annual grants for no more than five consecutive years in amounts equal to 10 percent of the difference between the total amount of nonresident tuition the educational institution charged the individual and the total amount of resident tuition the educational institution would have charged the individual if the individual had been a resident.

Beginning in fiscal year 2019-20, the bill creates a new appropriation under s. 20.445 (1) (c), provides funding of up to \$15,000,000 in each fiscal year for grants.

DWD assumes that the scope of its responsibility under the bill includes establishing eligibility requirements, determining levels of reimbursement for recipients and making the payments to the recipients. Additional activities include development and maintenance of IT and oversight systems to support applications, payments, quality assurance, and program integrity.

DWD also assumes that individual tuition payment information will be retained at each Wisconsin campus and will be available for data sharing, and that DWD will be able to establish data connections with each campus to obtain this information. If such information and data processing systems are not available and/or accessible then the projected program expenditures could be higher than shown in this estimate. DWD will require access to secure systems and records that include personally identifiable information (PII). The Department is aware of security associated with handling the PII and that costs associated with maintaining secure systems for handling PII and mitigation of any security breaches are indeterminate and could impact agencies providing source data to DWD.

Based on the assumptions presented, DWD estimates that one-time information technology (IT) and business intelligence (BI) efforts to implement the requirements of this bill will be 15,000 hours at a cost of \$1,350,000. The estimated annual BI and IT resources to maintain, secure, and update infrastructure and services is 1,500 hours at a cost of \$135,000. This estimate is based on DWD's history of development and maintenance of systems for similar programs.

For initial program development DWD assumes that an inter and intra agency team will be convened. DWD estimates a one-time need for 1.0 FTE at an average compensation of \$30 per hour. This FTE is the aggregation of the time contributed by members of DWD's program development team for a total one-time staff cost of \$118,600 GPR including salary, fringe, and other supplies and services.

DWD projects that the annual average participation rate over the life of the ten-year program will be 5,000 to 6,000 individuals. Verifying state residency and employment is estimated to require 1.0 FTE. Determining individual reimbursement levels will require 2.0 GPR FTE to collect, analyze and verify data including the out-of-pocket amounts that each eligible applicant paid in tuition, determining in-state tuition levels at the time of enrollment, and other factors established in DWD's rule making process. Processing routine and complex payments will require 1.0 FTE. The ongoing annual cost for 4.0 GPR FTE non-supervisory staff with an average compensation of \$22 per hour and including fringe and other supplies and services is estimated to be \$361,100 GPR.

Program management is estimated to require 1.0 GPR FTE for ongoing inter and intra agency

coordination, outreach, program development and planning, program integrity, quality assurance, troubleshooting, rule review, and recruitment and training of staff. DWD assumes compensation of \$30 per hour for a total estimated ongoing annual cost including fringe and other supplies and services of \$118,600 GPR.

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

Based on the assumptions outlined above, the Department estimates that the annual funding needed is \$479,700 GPR for 5.0 GPR FTE and associated supplies and services, and \$135,000 GPR for 1,500 hours of IT system operations.

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> grants for certain University of Wisconsin and technical college graduates who paid nonresident tuition; granting rule-making authority; and making an appropriation			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Based on the assumptions outlined in the justification, the Department estimates that the one-time funding needed is \$118,600 GPR for 1.0 GPR FTE and associated supplies and services, and \$1,350,000 for 15,000 hours of IT system design and implementation services.			
<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	\$356,000		\$
(FTE Position Changes)	(5.0 FTE)		
State Operations - Other Costs	258,700		
Local Assistance	0		
Aids to Individuals or Organizations	15,000,000		
<b>TOTAL State Costs by Category</b>	<b>\$15,614,700</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	15,614,700		
FED	0		
PRO/PRS	0		
SEG/SEG-S	0		
<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	\$15,614,700		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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