

Original     Updated  
 Corrected     Supplemental

**1999 Session**

LRB or Bill No. -- Adm. Rule No.  
SB-394 --LRB-3778/2

Amendment No. if Applicable

**FISCAL ESTIMATE**  
DOA-2048 N(R10/94)

**Subject**  
ECONOMIC DEVELOPMENT

**Fiscal Effect**

**State:**  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation     Increase Existing Revenues
- Decrease Existing Appropriation     Decrease Existing Revenues
- Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs  
 Permissive  Mandatory
- 2.  Decrease Costs  
 Permissive  Mandatory

- 3.  Increase Revenues  
 Permissive  Mandatory
- 4.  Decrease Revenues  
 Permissive  Mandatory

5. Types of Local Government Units Affected
- Towns     Villages     Cities
  - Counties     Others
  - School Districts     WTCS Districts

**Fund Sources Affected:**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations:**

445(1)(a)

**Assumptions Used in Arriving at Fiscal Estimate**

NOTE: The Department of Workforce Development prepared 2 fiscal estimates for SB394. Each fiscal estimate covers separate provisions within SB394 and should be considered jointly and not in place of one another.

This bill directs the Department to establish an advanced journeyworker credential pilot program in three trades, crafts or businesses to recognize advanced training and postapprenticeship achievements with funds of \$160,000 earmarked for the first year and \$120,000 for the second year. This bill provides 1 FTE in the Department of Workforce Development to support development and implementation of the pilot program. The remaining funding will be used for curriculum development and developmental costs. Industry representatives will be used as advisors to the project.

This estimate was developed using mid-range salary of the Program and Planning Analyst 4 classification along with the associated fringe benefits and standard supplies and services within the Department of Workforce Development. While the costs below are annualized, it is anticipated that staff will only be on board for 9 months in the first year of the project. Other costs, such as promotional materials to advertise the new advance journeyworker programs, employer support to add these credentials and training to their apprentice programs, and curriculum development to establish the new training are included as one-time costs. These additional costs are based on historical information from the Bureau of Apprenticeship Standards in the Division of Workforce Excellence.

Due to the timeframes specifically mentioned in the bill, it is very unlikely that these funds will be fully spent in the first year of the pilot, SFY00.

**Long-Range Fiscal Implications**

Once developed for the first 3 trades, there should be no additional costs. However, once the pilots are completed, and if they are proven successful, the program could be expanded to other trades. If expanded, additional funds may be needed to develop the curriculae needed for new advanced journeyworker trades and staff may be needed to oversee the program.

Agency/Prepared by:(Name & Phone No.)

DWD / McGaughey, Mark 267-8858

Authorized Signature/Telephone No.

*M. McGaughey*

Date

3/21/00

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB or Bill No./Adm Rule No. SB-394 / LRB-3778/2	Amendment No.
	<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental		


**Subject**  
**ECONOMIC DEVELOPMENT**

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**  
 One time costs are projected to be approximately \$124,000 over a two year period. The heaviest costs will occur in the first year for promotional materials and employer support of \$50,000 and curriculum development of \$44,000. The second year will continue the promotional materials and employer support at a level of \$25,000 and final curriculum needs are estimated to be only \$5,000.

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$58,000	- \$0
(FTE Position Changes)	(1.00FTE)	(- FTE)
State Operations - Other Costs	\$28,000	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$0	- \$0
<b>TOTAL State Costs by Category</b>	<b>\$86,000</b>	<b>- \$0</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$86,000	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$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>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<b>TOTAL State Revenues:</b>	<b>\$0</b>	<b>- \$0</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$86,000	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / McGaughey, Mark 267-8858	Authorized Signature/Telephone No. 	Date 3/21/00
-------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------	-----------------

Original     Updated  
 Corrected     Supplemental

**1999 Session**

LRB or Bill No. -- Adm. Rule No.  
SB-394 --LRB-3778/2

Amendment No. if Applicable

**FISCAL ESTIMATE**  
DOA-2048 N(R10/94)

**Subject**  
ECONOMIC DEVELOPMENT

**Fiscal Effect**

**State:**  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation

- Increase Existing Appropriation     Increase Existing Revenues
- Decrease Existing Appropriation     Decrease Existing Revenues
- Create New Appropriation

Increase Costs - May be possible to Absorb  
Within Agency's Budget  Yes  No

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs  
 Permissive  Mandatory
- 2.  Decrease Costs  
 Permissive  Mandatory

- 3.  Increase Revenues  
 Permissive  Mandatory
- 4.  Decrease Revenues  
 Permissive  Mandatory

**5. Types of Local Government Units Affected**

- Towns     Villages     Cities
- Counties     Others
- School Districts     WTCS Districts

**Fund Sources Affected:**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations:**

445(3)(md)

**Assumptions Used in Arriving at Fiscal Estimate**

NOTE: The Department of Workforce Development prepared 2 fiscal estimates for SB394. Each fiscal estimate covers separate provisions within SB394 and should be considered jointly and not in place of one another.

The bill would affect DWD and local W-2 agencies by:

Mandating that DWD be consulted on the WTCSB plan for a job retention skills development program. Although DWD staff costs for that consultation could be assumed, the fiscal effect is negligible.

The bill also mandates that W-2 agencies coordinate their case management activities with the job retention skills development program. W-2 agencies are already contractually bound to provide job retention activities to newly placed workers. If legislative intent is that all people leaving W-2 for employment be mandated to participate in the WTCSB program, this provision could decrease costs to the local W-2 agencies.

The bill also mandates that Community Steering Committees create a subcommittee specifically for transportation issues. The vast majority of W-2 agencies either already have such a sub-group or their corresponding Workforce Development Board (upon which the W-2 agencies are represented) does or will in the near future, thus making this provision largely duplicative. Assuming 50 of the 80 W-2 regions in which the program operates would have to create this subcommittee, and the committee meets every month beginning in June 2000 at a cost of \$100 per meeting, the fiscal effect of this mandate would be \$95,000.

There would be no fiscal effect to the provision that mandates that the agencies account for transportation expenses separately because in January 2000 DWD created such a requirement already to comply with the federal Temporary Assistance for Needy Families fiscal reporting requirements.

The requirement that the W-2 agencies provide transportation assistance to anyone at or below 165% FPL would have a fiscal effect on the W-2 agencies who do not already provide this type of assistance through either Community Reinvestment or the TANF Employment Transportation Grant. It is estimated that 50 of the 80 W-2 regions already use funding for this purpose. Assuming the remaining 30 agencies have new monthly transportation expenditures that average \$200 per month for this provision, and that it would be effective beginning in June 2000, the costs of this provision would be \$114,000.

(Continued on next page...)

**Assumptions Used in Arriving at Fiscal Estimate (Continued)**

Appropriation s. 20.445(3)(md) is an annual appropriation which is fully allocated to other programs at funding levels required by current statute. This bill does not increase the budget expenditure authority to meet the fiscal obligations of the new program. It is the Department's understanding that \$200,000 of proposed funding for this bill will come from the unallotted reserve balance in the appropriation. Transferring funds from the appropriation without using the unallotted reserve within the appropriation or increasing the budgetary authority of the appropriation would over-obligate the appropriation and would result in a shortfall of funding.

**Long-Range Fiscal Implications**

Agency/Prepared by:(Name & Phone No.)	Authorized Signature/Telephone No.	Date
DWD / Shawn Smith 261-8089		3/21/00

**FISCAL ESTIMATE WORKSHEET****1999 Session**

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Corrected	<input type="checkbox"/> Updated <input type="checkbox"/> Supplemental	LRB or Bill No./Adm Rule No. SB-394 / LRB-3778/2	Amendment No.
---------------------------------------------------------------	------------------------------------------------------------------------------------	---------------------------------------------------------------------------	-----------------------------------------------------	---------------


Subject  
ECONOMIC DEVELOPMENT

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 State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$0	- \$0
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs	\$0	- \$0
Local Assistance	\$200,000	- \$0
Aids to Individuals or Organizations	\$0	- \$0
<b>TOTAL State Costs by Category</b>	<b>\$200,000</b>	<b>- \$0</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$100,000	- \$0
FED	\$100,000	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$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>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<b>TOTAL State Revenues:</b>	<b>\$0</b>	<b>- \$0</b>

**NET ANNUALIZED FISCAL IMPACT**

	<b>STATE</b>	<b>LOCAL</b>
Net Change in Costs:	\$200,000	\$209,000
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / Shawn Smith 261-8089	Authorized Signature/Telephone No. 	Date 3/21/00
---------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------	-----------------