

### Fiscal Estimate - 2001 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>01-3844/1</b>	<b>Introduction Number</b> <b>AB-516</b>	
<b>Subject</b> Legislative Council Committee on Labor Shortage recommendations		
<b>Fiscal Effect</b>		
<b>State:</b> <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		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input 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 type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1)(a) (kt); (3)		
<b>Agency/Prepared By</b> DWD/ Kimberly Markham (608) 267-3200	<b>Authorized Signature</b> Kimberly Markham (608) 267-3200	<b>Date</b> 10/5/01

## Fiscal Estimate Narratives

DWD 10/8/01

LRB Number	<b>01-3844/1</b>	Introduction Number	<b>AB-516</b>	Estimate Type	<b>Corrected</b>
<b>Subject</b>					
Legislative Council Committee on Labor Shortage recommendations					

### Assumptions Used in Arriving at Fiscal Estimate

NOTE: This fiscal estimate includes funding and FTE provided in the bill as well as additional funding and FTE identified by the Department of Workforce Development to carry out the activities in the bill.

**Labor Day Report.** This bill requires the Department of Workforce Development to prepare an annual Labor Day report on the labor supply in Wisconsin. The report is to include labor shortage data by occupation, region, gender and race, and also recommend potential solutions for critical labor shortages. There is no current data source for collecting much of the requested data, and the data is outside the scope of allowable activities for the department's labor market information and related staff which is funded by the U.S. Department of Labor.

The department would have to develop a survey instrument to collect and analyze this new data. Costs associated with this item would include four FTE to design, conduct and analyze the survey data, and prepare and publish the report on an ongoing basis. These costs total \$314,000 for staff and related costs, \$150,000 for the survey and report preparation, and \$10,000 for publication, which are not provided in the bill.

**Job Skills Training Report.** This bill requires the Department of Workforce Development to collect and prepare listings on basic job skills programs in the state. As this type of information is already available through the Workforce Development Areas around the state, the department does not anticipate any increased costs related to this section.

**Apprenticeship Tax Credit.** The bill establishes an Apprenticeship Tax Credit primarily for the industrial and service trades, as well as some construction. For DWD, costs will include development of an agreement for employers to complete in which they agree to be posted on the Internet, verification that the apprenticeship is registered with the Bureau of Apprenticeship Standards and certification to the Department of Revenue (DOR). The bill provides \$10,000 per year to update the Internet site. The amount provided is anticipated to cover the costs. The costs to develop the agreement and certification to DOR is minimal and can be absorbed. However, depending on the success of the tax credit, additional staffing may be required. The bill provides for a 40% increase in the number of employers hiring apprentices. If that occurs the program will need at least 2 FTE for additional field staff to process the regular apprenticeship paperwork. Currently, each staff person has an average of 1,000 apprentices and a 40% increase in employers would add at least 1287 apprentices at one per employer, although some new and current employers could add multiple apprentices.

**Trade Master's Pilot Program.** This section provides for the establishment of a trade master pilot program to recognize advanced training. The bill provides implementation funding at \$110,000 in 2001-02 and \$120,000 in 2002-03 and 1.0 FTE to develop the program. Costs that may occur outside of the bill appropriation will be absorbed.

**Workplace Diversity Grant Program.** The bill provides \$120,000 in one-time funding for grants to local, non-profit organizations. Costs associated with administering this grant program can be absorbed within the department.

**Job Retention Skills Development Program.** The bill creates a program funded with \$200,000 TANF in SFY02 to be transferred from 20.445 (3)(md) to the technical college system board. However, the bill does not increase 20.445 (3)(md) to reflect this transfer. Therefore, this funding would need to be reallocated from other programs funded with TANF under the 2001-03 biennial budget.

**Apprenticeship Marketing.** The bill creates an Apprenticeship Marketing Council, establishes membership terms and membership make-up. It also provides funding for marketing materials and two positions in each of the two years for the Bureau of Apprenticeship Standards (BAS). The department already has an Apprenticeship Advisory Council and if the Marketing Council is made up of members of the Advisory Council,

the costs for implementing this section other than the provided funding will be minimal and can be absorbed. \$150,000 is allocated to each year for materials and \$125,000 each year for two positions.

Preapprenticeship Basic Skills Training. This provision provides \$300,000 in each fiscal year for the department to contract with an organization to preapprenticeship basic skills training grants. It is assumed that grant vouchers up to \$500 would be provided to eligible persons for costs associated with this training. It is unclear in the bill language whether a portion of the funding is to be used for a contract with an organization to administer the program or if the funding is to be used solely for training grants. If the department is to administer the program, a grants specialist and an industry and labor training coordinator will be needed to administer the grants and oversee the program, as these duties cannot be absorbed by current staff. Therefore, agency costs, not funded in the bill, are estimated at \$150,000 for 2 FTE.

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

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 01-3844/1		<b>Introduction Number</b> AB-516	
<b>Subject</b>			
Legislative Council Committee on Labor Shortage recommendations			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
\$120,000 for workplace diversity grants.			
<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		\$859,000	
(FTE Position Changes)		(11.0 FTE)	
State Operations - Other Costs		320,000	
Local Assistance			
Aids to Individuals or Organizations		300,000	
<b>TOTAL State Costs by Category</b>		<b>\$1,479,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		1,359,000	
FED			
PRO/PRS		120,000	
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>			
		State	Local
NET CHANGE IN COSTS		\$1,479,000	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DWD/ Kimberly Markham (608) 267-3200		Kimberly Markham (608) 267-3200	10/5/01