

Fiscal Estimate Narratives

DWD 10/11/01

LRB Number	01-3897/2	Introduction Number	AB-557	Estimate Type	Original
Subject					
Legislative Council Committee on Labor Shortage fiscal 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 as necessary to carry out the activities in the bill.

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 SFY03 to be transferred from 20.445 (3)(md) to the technical college system board. There is currently sufficient funding in unallotted reserve in SFY03 to fund this transfer. However, this would reduce the TANF ending balance for the biennium by \$200,000.

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

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3897/2	Introduction Number AB-557	
Subject		
Legislative Council Committee on Labor Shortage fiscal recommendations		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
\$120,000 for workplace diversity grants.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$275,000	
(FTE Position Changes)	(4.0 FTE)	
State Operations - Other Costs	150,000	
Local Assistance		
Aids to Individuals or Organizations	300,000	
TOTAL State Costs by Category	\$725,000 \$	
B. State Costs by Source of Funds		
GPR	725,000	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$725,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
DWD/ Kimberly Markham (608) 267-3200		
Authorized Signature		
Kimberly Markham (608) 267-3200		
Date		
10/5/01		