

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

| | | | |
|---|--|---------------------------------------|-------------|
| LRB Number 13a0982/1 | | Introduction Number SA2-SB335 | |
| Description Tuition reimbursement program for apprentices and employers, granting rule-making authority, and making an appropriation | | | |
| Fiscal Effect | | | |
| State: | | | |
| <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input 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 checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs | | | |
| Local: | | | |
| <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts | | | |
| Fund Sources Affected | | Affected Ch. 20 Appropriations | |
| <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1) (d); 20.445 (1) (a) | | | |
| Agency/Prepared By | | Authorized Signature | Date |
| DWD/ Richard Chao (608) 266-7713 | | Jonathan Barry (608) 267-3200 | 11/5/2013 |

Fiscal Estimate Narratives

DWD 11/5/2013

| | | | | | |
|--|------------------|---------------------|------------------|---------------|---------------------|
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Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Workforce Development (DWD) to administer a tuition reimbursement completion program under which DWD may reimburse the cost of tuition incurred by a person who has completed an apprenticeship program and who is employed in the trade, craft, or business in which the person was trained under the apprenticeship program or incurred by the person's employer.

Under the bill, the amount of that reimbursement is 25 percent of the cost of tuition incurred by the person or employer or \$1,000, whichever is less, except that if the amount of funds applied for exceeds the amount available for tuition reimbursement, DWD may reduce the reimbursement percentage or deny applications for reimbursement that would otherwise qualify for reimbursement. In that case, DWD must determine the reimbursement percentage and eligibility on the basis of the dates on which applications for reimbursement were received.

Under Amendment 2, a major modification to the program is that the reimbursement payment is modified to occur after completion of a class or training. It is estimated that this modification along with other minor modifications in the bill will permit DWD to operate the program for less funding than stated in the original fiscal estimate for SB-335.

Under the Amendment 2, DWD anticipates one-time IT system implementation costs of \$85,100 and plus annual costs of \$17,100 for IT systems maintenance.

These enhancements will permit DWD to track the program. Apprentices will be tracked throughout the course of their apprenticeship to establish eligibility. If the apprentice changes jobs, or his/her employer goes out of business, this system enables DWD to track records. Additionally, the system will track reimbursements and cross-match with the child support database, enabling DWD to monitor and audit program performance. Finally, DWD will gather historical data to determine the overall performance of this program.

Long-Range Fiscal Implications

Annual IT systems maintenance costs of \$17,100

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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| Description Tuition reimbursement program for apprentices and employers, granting rule-making authority, and making an appropriation | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Implementation costs including updating DWD's apprenticeship information system to track and record tuition reimbursements; total IT system implementation costs are estimated at \$85,100. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| | State Operations - Salaries and Fringes | \$17,100 | \$ |
| | (FTE Position Changes) | | |
| | State Operations - Other Costs | | |
| | Local Assistance | | |
| | Aids to Individuals or Organizations | 225,000 | |
| | TOTAL State Costs by Category | \$242,100 | \$ |
| B. State Costs by Source of Funds | | | |
| | GPR | 242,100 | |
| | 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 | | \$242,100 | \$ |
| NET CHANGE IN REVENUE | | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DWD/ Richard Chao (608) 266-7713 | | Jonathan Barry (608) 267-3200 | 11/5/2013 |