

Fiscal Estimate - 2019 Session

Original Updated Corrected Supplemental

LRB Number **19-4991/1** Introduction Number **AB-1023**

Description
 interns employed by assembly and senate offices, the governor, and the Department of Justice, an intern placement program administered by the Department of Workforce Development, and making an appropriation

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

Increase Existing Appropriations Increase Existing Revenues
 Decrease Existing Appropriations Decrease Existing Revenues

Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No

Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory

2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS s. 20.445(1)(bm); s. 20.445(1)(bn); s. 20.445(1)(g)

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Fiscal Estimate Narratives
DWD 4/10/2020

LRB Number	19-4991/1	Introduction Number	AB-1023	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

2019 AB 1023 requires the Department of Workforce Development (DWD) to establish an Equal Opportunity Intern Program, for the purpose of placing interns with Wisconsin businesses. Interns are to be paid a stipend from the new GPR appropriation under s. 20.445 (1) (bn), established as a sum sufficient appropriation from which no more than \$500,000 may be expended. Additionally, DWD is required to seek matching funds from nonstate sources for purposes of paying stipends to interns. DWD assumes any matching funds collected will be deposited in the department's gifts and grants appropriation at s. 20.445 (1) (g).

Each intern shall be at least 18 years old, be enrolled in an institution of higher education, and come from a low-income household, defined as a household with income that does not exceed 300 percent of the federal poverty line based on family size.

While the bill does not define what constitutes a stipend, it states that stipends should be equivalent to at least \$15 per hour for services for up to 20 hours per week of work for up to 42 weeks (840 hours) per year during a 16-week spring term, a 10-week summer term, and a 16-week fall term. Under these conditions, with no additional matching funds, approximately 40 interns could fully participate in the program annually.

This bill does not provide position authority to implement the proposed intern program. DWD assumes existing staff resources will be used to perform outreach to businesses for the purpose of seeking internship opportunities and matching funds and also verifying eligibility of interns. After an intern is on-boarded by a business, DWD assumes the business entity will make the stipend payments to the intern, and after verification of payment, DWD will reimburse the business. Reimbursement payments to businesses will be made at the conclusion of a term. The costs associated with additional workload from this bill are indeterminate.

Under this bill, the Department estimates a one-time effort of 880 work hours for IT systems upgrade for tracking stipend eligibility, completion and payment verification for the Equal Opportunity Intern Program. This is a one-time cost of \$75,680 to the Department and cannot be absorbed. The annualized cost of IT system maintenance is \$7,600 and \$500,000 in stipend payments.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description interns employed by assembly and senate offices, the governor, and the Department of Justice, an intern placement program administered by the Department of Workforce Development, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): one-time effort of 880 work hours for IT systems upgrade for a one-time cost of \$75,680.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs	7,600	
	Local Assistance		
	Aids to Individuals or Organizations	500,000	
	TOTAL State Costs by Category	\$507,600	\$
B. State Costs by Source of Funds			
	GPR	507,600	
	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, ets.)			
		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	\$507,600	\$
	NET CHANGE IN REVENUE	\$	\$

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