

Fiscal Estimate Narratives

DWD 5/31/2019

LRB Number	19-2447/2	Introduction Number	AB-0237	Estimate Type	Original
Description reimbursement grants to employers for payment of costs for certification programs in solar energy and wind energy systems					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Workforce Development (DWD) to allocate \$1.0 million in each biennium from annual GPR appropriation s. 20.445(1)(b) for grants to train and certify individuals in solar energy and wind energy systems.

Funding for the new Solar and Wind Energy Systems Certification Completion Grants program, to be developed and administered by DWD, is a set-aside from the appropriation that supports Wisconsin Fast Forward (WFF). A grant applicant can be either a single employer or consortium of employers and must provide matching funds equal to the amount of the grant awarded. Grants will reimburse applicants for costs they incur to train individuals that participate in energy system certification programs. The amount that a recipient may receive over the life of the program is capped at \$250,000.

Although DWD is experienced with implementation of programs similar to the one in this bill, each program is unique, and there are one-time start-up costs for establishing a new program. Based on previous DWD experience, start-up costs include, but are not limited to, identifying training providers, providing outreach and technical support to stakeholders, developing processes for verification of participation and reimbursement requests and establishing compliance monitoring. The total estimated one-time start-up cost to launch the new program described in the bill is \$91,800, which includes \$67,200 for 2080 staff hours, provided by two limited term employees (LTEs) at an hourly wage of \$30.00/hour and fringe at 7.65%, plus \$24,800 for operations costs such as allocated rent, computer, internet/phone, supplies and administrative support services. Additional anticipated program costs, such as IT system integration, accounts payable, and reporting, can be absorbed within the agency base budget.

For the purposes of this estimate, DWD assumes that if the total amount of valid requests for grants is less than the \$1.0 million statutory set-aside, then the balance of unutilized funds may be reallocated for other authorized programs. However, if the balance of unused set-aside funds cannot be reallocated, then the bill could result in an effective reduction in DWD's total funding if grant solicitations result in contract amounts less than \$1.0 million during the biennium. DWD's effective reduction over a biennium would be the difference between the \$1.0 million set aside and the amount awarded.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description reimbursement grants to employers for payment of costs for certification programs in solar energy and wind energy systems		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time costs total \$91,800, which consists of \$67,200 for salary and fringe and \$24,600 for other operations costs.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$0	\$
(FTE Position Changes)	(0.0 FTE)	
State Operations - Other Costs	0	
Local Assistance	0	
Aids to Individuals or Organizations	0	
TOTAL State Costs by Category	\$0	\$
B. State Costs by Source of Funds		
GPR	0	
FED	0	
PRO/PRS	0	
SEG/SEG-S	0	
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	\$0	\$
GPR Earned	0	
FED	0	
PRO/PRS	0	
SEG/SEG-S	0	
TOTAL State Revenues	\$0	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$0	\$
NET CHANGE IN REVENUE	\$0	\$

Agency/Prepared By	Authorized Signature	Date
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