

Fiscal Estimate Narratives

DWD 10/19/2023

LRB Number	23-1859/1	Introduction Number	AB-0485	Estimate Type	Original
Description an intern placement program administered by the Department of Workforce Development and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

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This bill requires the Department of Workforce Development (DWD) to establish an Equal Opportunity Intern Program, for the purpose of placing interns with Wisconsin businesses. Under this bill, individuals eligible for the internship program would be at least 18 years old, 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. Interns would be paid a stipend of at least \$15 per hour from a new GPR sum sufficient appropriation under s. 20.445 (1) (bn), from which no more than \$500,000 may be expended. Additionally, the bill requires DWD 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). Internship stipend payments would cover 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.

This bill does not provide position authority or administrative funding to cover costs associated with implementation of the proposed intern program. While DWD will have costs associated with implementation related to the use of staff resources, communications, and monitoring, the magnitude of the fiscal effect to department operations is indeterminate at this time. Demand for interns from employers and demand for internships from students under this proposed program is dependent on economic factors that are hard to predict, and therefore the amount of staff time needed to perform business outreach, review applications, approve interns, approve internships, match students with internships, monitor progress, and issue payments is unknown. Under the bill's conditions, and assuming no additional matching funds, approximately 40 interns could participate in the 42-week program on an annual basis. DWD assumes demand from employers interested in providing an internship under this program and from students interested in participating will be above what can be supported with available funding, therefore, additional DWD staff effort related to setting criteria for selecting internship sites, interns to participate, and communication efforts about those criteria, will be an added fiscal effect of unknown magnitude at this time.

The Department also estimates a one-time effort of 1,500 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 \$144,000 to the Department and cannot be absorbed. The annualized cost of IT system maintenance is \$28,800.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description 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 1,500 work hours for IT systems upgrade for a one-time cost of \$144,000.		
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	28,800	
Local Assistance		
Aids to Individuals or Organizations	500,000	
TOTAL State Costs by Category	\$528,800	\$
B. State Costs by Source of Funds		
GPR	528,800	
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	\$528,800	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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		10/19/2023