

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-4684/1	Introduction Number AB-0549
------------------------------------	---

Description
 grants related to technical college manufacturing and truck driving programs and making an appropriation

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
- Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs
 - Permissive
 - Mandatory
 - 2. Decrease Costs
 - Permissive
 - Mandatory
 - 3. Increase Revenue
 - Permissive
 - Mandatory
 - 4. Decrease Revenue
 - 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

Agency/Prepared By	Authorized Signature	Date
WTCS/ Megan Stritchko (608) 266-2449	James Zylstra (608) 266-1739	10/26/2023

Fiscal Estimate Narratives

WTCS 10/26/2023

LRB Number 23-4684/1	Introduction Number AB-0549	Estimate Type Original
Description grants related to technical college manufacturing and truck driving programs and making an appropriation		

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 549 requires the Wisconsin Technical College System (WTCS) Board to award grants in the 2023-25 biennium to technical colleges to support the recruitment and retention of instructors in manufacturing, advanced manufacturing, and truck driving programs. The bill requires the WTCS Board to award grants up to \$5,000 per instructor to pay hiring bonuses to newly-hired instructors employed in positions that are at least half-time to teach courses manufacturing, advanced manufacturing, or preparatory courses related to commercial driver licenses if the instructor agrees in writing to continue employment with the technical college for at least three years. The bill creates s. 20.292(1)(fg), provides \$500,000 GPR in 2023-24 and \$500,000 GPR in 2024-25, and specifies that no moneys may be encumbered or expended after June 30, 2025.

The bill requires the technical college district board to provide at least an equal amount of matching funds for the bonus. As a result, each WTCS college that hires a qualifying instructor must provide matching funds up to \$5,000 per instructor. Because the number of hired qualifying instructors is unknown, the fiscal effect for WTCS colleges cannot be determined. If the total appropriated amount under s. 20.292(1)(fg) is awarded for hiring bonus grants, the costs to technical colleges will increase \$1 million over the 2023-25 biennium.

The bill specifies that, with exceptions, an instructor who fails to maintain employment for the three-year period must repay the bonus on a pro rata basis according to the actual duration of employment. It is unknown how many instructors may be required to repay all or a portion of their bonus, therefore the repayment revenue cannot be determined.

The bill requires a technical college instructor to pay a retention bonus of \$5,000 to each instructor who received a hiring bonus and remains employed with the technical college in a similar capacity five years later. The bill does not provide GPR funds for retention bonuses and requires technical colleges to fund these retention bonuses from the colleges' own funds. The number of instructors that will qualify for retention bonuses within five years is unknown. If the total appropriated amount under s. 20.292(1)(fg) is awarded for hiring bonus grants and all instructors hired with hiring bonuses remain employed and eligible for a retention bonus, the costs to technical colleges will increase \$1 million over the 2028-30 biennium.

The bill also requires the WTCS Board to award one-time grants up to \$1 million to technical colleges to purchase manufacturing or advanced manufacturing equipment or to enhance facilities for advanced manufacturing instruction. The bill creates s. 20.292(1)(fh) and provides \$16 million GPR in 2023-24.

The bill specifies that a grant may be awarded only if the technical college provides at least an equal amount of matching funding. If the total appropriated amount under s. 20.292(1)(fh) is awarded to technical colleges for manufacturing capital improvement grants, the costs to technical colleges will increase \$16 million over the 2023-25 biennium.

The bill requires each technical college district board that receives instructor recruitment and retention grants to annually report specific information to the WTCS board until July 1, 2030. Similarly, the bill requires each technical college district board that receives manufacturing capital improvement grants to report certain information related to the grants and use of funds within 6 months of the grant award. These reporting requirements will increase administrative costs for WTCS colleges, the cost of which cannot be determined.

In addition, the bill requires the WTCS Board submit a reports to the legislature summarizing the results of the WTCS district board reports. This reporting requirement will increase administrative costs to the WTCS Board, but the costs are expected to be minimal and can be absorbed within the agency budget.

Long-Range Fiscal Implications