

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-4766/1	Introduction Number AB-0550
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Description
 technical education equipment grants, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and making an appropriation

Fiscal Effect

State:

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

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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)(bm)

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DWD 10/31/2023

LRB Number	23-4766/1	Introduction Number	AB-0550	Estimate Type	Original
Description technical education equipment grants, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill expands the Wisconsin Fast Forward Technical Education Equipment Grant (TEEG) uses to include enhancements or improvements of technical education facilities, adds construction fields as part of the program, and changes the name to the Technical Education and Facility Enhancement Equipment Grants (TEFEEG) program. This legislation also adds a consortium of school districts as an eligible applicant, lowers the match requirement if school districts collaborate with a private entity, requires DWD to set aside grant funding for sparsity aid eligible school districts, and requires DWD to promulgate administrative rules. The bill does not provide additional grant funding and does not provide funding or position authority for department administration of the grant program.

This bill requires the department to update administrative rules under DWD Ch. 802 and revise grant application materials. Implementing these updates will generate one-time costs. These costs are estimated to be \$8,000 and are absorbable within the agency's operating budget.

For the purposes of the fiscal estimate, it is assumed that the department could establish rules on the roles and responsibilities of school districts that apply as a consortium, including a rule requiring a lead school district within a consortium that is responsible for reporting. Under this assumption, additional staff time is not anticipated to manage applications and reporting by consortia.

For the purposes of this fiscal estimate, it is also assumed that the current demand for grants will continue, and the department will then continue to fully obligate its annual appropriation amount of \$1 million. Additionally, it is assumed that enough applicants that meet the bill's sparsity aid eligibility criteria will receive grants for the department to be able to meet the minimum one-third funding requirement. The bill requires that across a biennium, one third of the TEFEEG funding must be awarded to sparsity aid qualifying applicants. One third of funding across a biennium is equal to \$666,667.

If the department does not receive enough qualifying applications from sparsity aid eligible school districts to meet the one-third funding requirement, the remaining funding will lapse to the general fund in the second year of the biennium, as the bill's funding threshold must be met by the conclusion of the second year. For example, in FY23, 19% of the TEEG funding was awarded to sparsity aid eligible school districts. If sparsity aid eligible school districts' awards are similar to the award levels in FY23 for each year of the biennium, the department would lapse \$286,666 in the second year under this legislation. The remainder of that funding could not be invested in other equipment or facility enhancement projects under this bill.

However, the bill adds an option for consortia of school districts to apply for grants. This may make it easier for sparsity aid eligible school districts to participate in TEFEEG, therefore, this change could increase the likelihood of the department meeting the one-third funding requirement.

There is no local fiscal effect in total across all school districts, as the department assumes that it will continue to fully utilize grant funding.

Long-Range Fiscal Implications