

Fiscal Estimate - 2023 Session

Original Updated Corrected Supplemental

LRB Number 23-5109/1		Introduction Number SB-0747	
Description apprenticeship and youth apprenticeship completion awards, career and technical education incentive grants and completion awards, technical preparation programs in school districts and technical colleges, creating an individual income tax credit for completing an apprenticeship program, rejection criteria for part-time open enrollment applications, extending the time limit for emergency rule procedures, and providing an exemption from emergency rule procedures			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<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	
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)(a), 20.445(1)(bm)	
Agency/Prepared By		Authorized Signature	Date
DWD/ Andrew Wescott-Barten (608) 405-4475		Jennifer Sereno (608) 267-9692	1/10/2024

Fiscal Estimate Narratives

DWD 1/10/2024

LRB Number	23-5109/1	Introduction Number	SB-0747	Estimate Type	Original
Description apprenticeship and youth apprenticeship completion awards, career and technical education incentive grants and completion awards, technical preparation programs in school districts and technical colleges, creating an individual income tax credit for completing an apprenticeship program, rejection criteria for part-time open enrollment applications, extending the time limit for emergency rule procedures, and providing an exemption from emergency rule procedures					

Assumptions Used in Arriving at Fiscal Estimate

The proposed 2023 Senate Bill 747 (SB 747) establishes a skilled wage rate for apprentices in statute by codifying parts of Wis. Admin. Code § DWD 295.05 and expands the Career and Technical Education (CTE) Incentive Grants and Completion Award Program by adding construction as a specific eligible industry for awards. The bill modifies the Apprenticeship Completion Award Program (ACAP) by removing sponsors as eligible for reimbursements, adding apprenticeship-related costs as eligible for reimbursement, and creating a Youth Apprenticeship Completion Award Program (YACAP). Additionally, the bill expands technical preparation programs—known as dual enrollment programs—in school districts and technical colleges to include apprenticeship programs and creates a tax credit for completion of an apprenticeship program.

This bill is estimated to increase costs to the department. One-time costs are estimated at \$465,000. Annual ongoing costs are estimated at \$461,900. These costs are due to increased apprenticeship administrative activities required by the proposed changes to CTE and ACAP, and IT costs to modify the existing ACAP customer portal and reimbursement system. The department is unable to absorb these costs.

This bill does not provide new position authority, however, the department would need 2.0 FTE, state classifications of Program and Planning Analyst – Advanced and Financial Specialist, to manage the new workload from the proposed construction industry CTE eligibility requirement. The proposed change does not specify which construction occupations are eligible of the many occupations in the industry. The new program and planning analyst's ongoing activities would include determining eligible occupations and credentials, developing policies for grants and awards, and providing outreach about the additional occupations. The financial specialist position would verify allowability of and process grants and completion awards for the additional occupations. Since the bill does not provide new position authority, the department would need to use contractors to provide the required activities. One-time costs for the contracted positions are estimated at \$6,000. Annual costs are estimated at \$209,300. The department is unable to absorb these costs.

The department would need 2.5 FTE, state classifications of Program and Planning Analyst – Advanced, Financial Specialist – Advanced, and Financial Specialist, to manage the new workload from adding apprenticeship-related costs as eligible for reimbursement under ACAP and creating YACAP. The workload of the program and planning analyst - advanced position is anticipated to be 0.5 FTE. This position would be responsible for implementation and ongoing management of YACAP. This analyst would collaborate with participating YA consortia to ensure that the proposed YACAP complements the consortia's existing efforts, is not duplicative, and does not create barriers to YA participation. This position would work with a full-time financial specialist – advanced to define, document, and provide outreach to consortia and participants on eligible costs and required processes for reimbursement. The full-time financial specialist – advanced and financial specialist positions would review and verify allowability of reimbursements and process reimbursements. Again, the bill does not provide new position authority, so the department would use contractors to provide the required activities. One-time costs for the contracted positions are estimated at \$9,000. Annual costs for the positions are estimated at \$252,600. The department is unable to absorb these costs.

The department estimates a one-time IT cost of \$450,000 to modify and add functionality to the existing ACAP customer portal and reimbursement system. IT changes would be necessary to allow for reimbursement of expanded eligible costs for apprentices, to remove sponsors as eligible for reimbursements, and to add YACAP. The department is unable to absorb these costs.

The department estimates a local fiscal impact to YA consortia, which include school districts, and the impact is indeterminate at this time. The proposed YACAP is anticipated to duplicate local consortia's reimbursement

activities. The department anticipates that this bill would lead to additional activities for YA consortia to ensure the proposed YACAP is not duplicative and does not create a barrier to YA participation.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time costs are estimated at \$465,000.		
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	461,900	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$461,900	\$
B. State Costs by Source of Funds		
GPR	461,900	
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, etc.)		
	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	\$461,900	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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Jennifer Sereno (608) 267-9692		