



## Legislative Fiscal Bureau

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February 25, 2013

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 23: Workforce Training Programs

Senate Bill 23 was introduced at the request of the Governor on February 15, 2013, and referred to the Senate Committee on Workforce Development, Forestry, Mining, and Revenue. On February 21, 2013, that Committee recommended the bill for passage on a vote of 5 to 0.

### SUMMARY

Senate Bill 23 would create a new workforce training program. Under this program, the Department of Workforce Development (DWD) would award grants to public and private organizations for the development and implementation of workforce training programs. An organization that is awarded a grant under this program could use it for the training of both new and incumbent employees of businesses in this state. DWD could require that a public or private organization provide matching funds, at a percentage determined by the Department, as a condition of receiving a grant for a workforce training program.

Under the bill, DWD would have all powers necessary and convenient to implement the new program, including the powers to: (a) promulgate, by rule, procedures and criteria for awarding grants; (b) receive and review applications for grants and prescribe the form, nature, and extent of the information that must be contained in a grant application; (c) audit and inspect the records of grant recipients; and (d) require reports from grant recipients as needed. [Under the bill, DWD would have the authority to exercise items (a) thru (d), but would not be required to do so.]

Annually, by December 31, DWD would be required to submit a report to the Governor and to the Co-Chairpersons of the Joint Committee on Finance (JFC) providing an account of the Department's activities and expenditures for workforce training programs during the preceding fiscal year.

Funding for the program would be provided through two newly-created GPR appropriations. Grants would be made from the workforce training program; grants appropriation, which would be a continuing appropriation. Administrative funding would be provided under the biennial workforce training program; administration appropriation, which would also provide 4.0 FTE positions beginning in 2012-13 in DWD for the purpose of administering the workforce training program.

The bill would require that, before July 1, 2016, DWD consult with the Wisconsin Technical College System (WTCS) and the Wisconsin Economic Development Corporation (WEDC) in reviewing applications for workforce training grants and in awarding those grants. [It should be noted that DWD could award \$15.0 million in grants before the July 1, 2016, date. Thus, the Department could award grants without consulting or reviewing applications with WTCS or WEDC.]

The bill provides the following provisions regarding the potential transfer of moneys from the workforce training program; administration appropriation to the workforce training program; grants appropriation.

a. By July 1, 2014, DWD would be required to estimate the amount of moneys needed for the administration of the workforce training program in fiscal year 2014-15. If the Department estimates that the amount needed for administration of the program in that year is less than the amount provided in the workforce training program; administration appropriation, DWD would be required to submit to JFC a proposal to transfer moneys from that appropriation to the workforce training program; grants appropriation, for the purpose of increasing funding for workforce training grants.

b. If within 14 working days after the Department submits a proposal to transfer moneys between appropriations, the JFC Co-Chairpersons do not notify the DWD Secretary that the Committee has scheduled a meeting for the purpose of reviewing the proposal, the proposed transfer to the workforce training program; grants appropriation may be transferred and expended by DWD for workforce training grants. If within 14 working days after the date the Department submits the proposed transfer of moneys, the JFC Co-Chairpersons notify the DWD Secretary that the Committee has scheduled a meeting for the purpose of reviewing the proposal, the Department may only transfer and expend those moneys in the manner approved by the Committee. The amounts transferred to the workforce training program, grants appropriation would be reflected in the appropriation schedule upon approval.

c. If any moneys are transferred in the manner described above, DWD would be required to submit information for the purposes of its 2015-17 biennial budget request to reflect the dollar amount appropriated for fiscal year 2014-15 plus any amount transferred to the workforce training program; grants appropriation. Similarly, DWD would be required to submit information for purposes of its 2015-17 biennial budget request to reflect the dollar amount appropriated for fiscal year 2014-15 under the workforce training program, administration appropriation, less any amount transferred from that appropriation.

Most provisions under the bill would take effect on the day following publication of the bill; however, grants could not be awarded from the workforce training program; grants appropriation until July 1, 2013, or the second day following publication of the 2013-15 biennial budget act, whichever is later.

## **FISCAL EFFECT**

As noted, the bill would create two new GPR appropriations under DWD. The bill would provide \$7,500,000 in 2013-14 and 2014-15 for the workforce training program; grants appropriation. The bill would provide funding of \$180,000 in 2012-13, \$1,660,000 in 2013-14, and \$3,160,000 in 2014-15, and 4.0 FTE annually, in the workforce training program; administration appropriation, which is described in further detail below. In total, the bill would increase GPR FTE positions by 4.0, annually, and increase GPR expenditures by \$180,000 in 2012-13, \$9,160,000 in 2013-14, and \$10,660,000 in 2014-15.

Based on DWD's fiscal note, \$434,500 GPR in 2013-14 and 2014-15 from the workforce training program; administration appropriation would be used to fund salary, fringe benefits, supplies, and services for the newly created 4.0 FTE positions to administer the program. The Department also indicates that the \$180,000 provided in 2012-13 would also be used to fund these positions and start-up costs of the workforce training program. According to DWD, the balance (\$1,225,500 GPR in 2013-14 and \$2,725,500 GPR in 2014-15) would be used for Labor Market Information System (LMIS) database upgrades. The bill does not make reference to database upgrades as an authorized expenditure from the workforce training program; administration appropriation for LMIS database upgrades. An amendment to the bill may be required to accomplish the Department's intent.

Prepared by: Sean Moran