

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3844/1	Introduction Number AB-516
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Subject
 Legislative Council Committee on Labor Shortage recommendations

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
3. <input type="checkbox"/> Increase Revenue		
<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	

Agency/Prepared By DWD/ Barbara Murphy (608) 266-3348	Authorized Signature Kimberly Markham (608) 267-3200	Date 10/1/01
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Fiscal Estimate Narratives

DWD 10/1/01

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Subject					
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Assumptions Used in Arriving at Fiscal Estimate

Labor Day Report. This bill requires the Department of Workforce Development to prepare an annual Labor Day report on the labor supply in Wisconsin. The report is to include labor shortage data by occupation, region, gender and race, and also recommend potential solutions for critical labor shortages.

There is no current data source for collecting much of the requested data, and the data is outside the scope of allowable activities for the department's labor market information and related staff which is funded by the U.S. Department of Labor.

The department would have to develop a survey instrument to collect and analyze this new data. Costs associated with this item would include four FTE to design, conduct and analyze the survey data, and prepare and publish the report on an ongoing basis. These costs total \$314,000 for staff and related costs, \$150,000 for the survey and report preparation, and \$10,000 for publication.

Job Skills Training Report. This bill requires the Department of Workforce Development to collect and prepare listings on basic job skills programs in the state. As this type of information is already available through the Workforce Development Areas around the state, the department does not anticipate any increased costs related to this section.

Apprenticeship Tax Credit. The bill establishes an Apprenticeship Tax Credit primarily for the industrial and service trades, as well as some construction. For DWD, costs will include development of an agreement for employers to complete in which they agree to be posted on the Internet, verification that the apprenticeship is registered with the Bureau of Apprenticeship Standards and certification to the Department of Revenue (DOR). The bill provides funding to update the Internet site. The amount provided is anticipated to cover the costs. The costs to develop the agreement and certification to DOR is minimal and can be absorbed. However, depending on the success of the tax credit, additional staffing may be required. The bill provides for a 40% increase in the number of employers hiring apprentices. If that occurs the program will need at least two additional field staff to process the regular apprenticeship paperwork. Currently, each staff person has an average of 1,000 apprentices and a 40% increase in employers would add at least 1287 apprentices at one per employer, although some new and current employers could add multiple apprentices.

Trade Master's Pilot Program. This section provides for the establishment of a trade master pilot program to recognize advanced training. It provides \$50,000 for start-up, as well as implementation funding at \$110,000 in 2001-02 and \$120,000 in 2002-03 and 1.0 FTE to develop the program. Costs that may occur outside of the bill appropriation will be absorbed.

Workplace Diversity Grant Program. Costs associated with administering this grant program can be absorbed within the department.

Job Retention Skills Development Program. The TANF appropriated to the technical college district boards to administer this program must come from the unappropriated/unallotted TANF reserve balance.

Apprenticeship Marketing. The bill creates an Apprenticeship Marketing Council, establishes membership terms and membership make-up. It also provides funding for marketing materials and two positions in each of the two years for the Bureau of Apprenticeship Standards (BAS). The department already has an Apprenticeship Advisory Council and if the Marketing Council is made up of members of the Advisory Council, the costs for implementing this section other than the provided funding will be minimal and can be absorbed. \$150,000 is allocated to each year for materials and \$125,000 each year for two positions.

Preapprenticeship Basic Skills Training. This provision funds preapprenticeship basic skills training. A grants

specialist and an industry and labor training coordinator will be needed to administer the grants and oversee the program, as these duties cannot be absorbed by current staff. Agency costs are estimated at \$150,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Legislative Council Committee on Labor Shortage recommendations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$50,000 to establish the Trade Master pilot program \$120,000 in diversity grants			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$474,500	
(FTE Position Changes)		(11.0 FTE)	
State Operations - Other Costs		498,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$972,500	\$
B. State Costs by Source of Funds			
GPR		972,500	
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		\$972,500	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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