

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5269/1	Introduction Number AB-0872
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Description
 career and technical education incentive grants for school districts and completion awards for students 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
 - 2. Decrease Costs
 - 3. Increase Revenue
 - 4. Decrease Revenue
- Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected <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	Affected Ch. 20 Appropriations 20.445 (1) (c) created; 20.455(1)(b) amended
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Agency/Prepared By DWD/ Lillian Kelly (608) 266-7034	Authorized Signature BJ Dernbach (608) 261-4599	Date 2/2/2018
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Fiscal Estimate Narratives

DWD 2/2/2018

LRB Number	17-5269/1	Introduction Number	AB-0872	Estimate Type	Original
Description career and technical education incentive grants for school districts and completion awards for students and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an incentive grant program for school districts that provide training for certain public safety occupations and provides completion awards for students who complete those programs. The bill creates a sum sufficient appropriation (20.445(1)(c)) to fund the student completion awards.

Currently, the Department of Workforce Development (DWD) approves career and technical education (CTE) programs. The bill requires DWD to also approve industry-recognized certification programs to prepare individuals for occupations as fire fighters, emergency medical responders, or emergency medical services practitioners.

Under current law, the Department of Workforce Development (DWD) must award career and technical education (CTE) incentive grants to school districts in the amount of \$1,000 per student who, in the prior school year, obtained a high school diploma and successfully completed a DWD approved industry-recognized certification program. DWD must allocate not less than \$3,500,000 in each fiscal year for the CTE incentive grants from the 20.445(1)(b) appropriation for workplace training grants.

If the amount allocated in any fiscal year is insufficient to pay \$1,000 per student, DWD may prorate the amount of the incentive grants that eligible school districts receive.

Under the bill, CTE incentive grants for public safety occupation training programs are paid from the \$3,500,000 and may be prorated in any fiscal year.

Under the bill, DWD must award all of the following:

1. A CTE incentive grant to a school district that has a public safety occupation training program approved by DWD. For each program the school district has, the amount of the incentive grant is equal to \$1,000 for each student in the school district who successfully completed the program in a school year in which DWD approved the program.
2. A CTE completion award to a student in the amount of \$500 for each public safety occupation training program the student successfully completed in a school year in which DWD approved the program.

The bill requires that DWD and the Department of Public Instruction (DPI) enter into a memorandum of understanding (MOU) setting forth their responsibilities for administering existing and new provisions of Section 106.273. The MOU shall provide that DWD will provide the funds and DPI will make the incentive and completion award payments under subsections 3 and 4 of Section 106.273.

The bill takes effect for students completing a DWD approved industry recognized certification program in the 2018-19 school year.

STATE FISCAL EFFECT

Public safety occupations are not a new to the CTE program: emergency medical technician (EMT) is currently a DWD approved program. Firefighter training capacity exists statewide since each of the technical colleges in Wisconsin is required to make a firefighter training program available to members of volunteer and paid fire departments located within the technical college's district. DWD assumes that many interested school districts will submit timely applications for emergency medical and fire fighter programs for inclusion in the approved training list in the first effective year and that by the second year most interested school districts will have approved programs available.

DWD estimates, based on experience with similar programs, that 300 additional students will participate annually in a public safety program that qualifies for the new CTE completion award, for a total cost of \$150,000 from the new 20.445(1)(c) appropriation. The number of participants in first year be smaller due

to ramp up effects.

DWD will be able to administer the provisions of the bill within their existing appropriated funds provided that the mandatory MOU with DPI maintains the historical division of responsibilities between the two agencies for CTE program administration. DPI would need to continue to communicate with school districts, collect applications for reimbursement and student information from schools, and continue to make payments to the schools for incentive grants. In addition, DPI would need to assume responsibility for paying student completion awards.

LOCAL FISCAL EFFECT

The local impact is indeterminate. School districts that develop new CTE programs and enroll additional students expend funds in the program development but gain an increased share of the CTE incentive grant funds as well as indirect benefits from student program and community participation. The degree to which the local development costs are offset by indirect and direct revenues cannot be estimated.

Long-Range Fiscal Implications

DWD estimates, based on experience with similar programs, that 300 additional students will participate annually in a public safety program that qualifies for the new CTE completion award, for a total cost of \$150,000 from the new 20.445(1)(c) appropriation.

The number of students qualifying for the CTE incentives has been increasing each year since the inception of the program. It is expected that participation in public safety profession programs is likely to follow this historical trend leading to an increase in completion awards over time.

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description career and technical education incentive grants for school districts and completion awards for students and making an appropriation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
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		
Local Assistance		
Aids to Individuals or Organizations	150,000	
TOTAL State Costs by Category	\$150,000	\$
B. State Costs by Source of Funds		
GPR	150,000	
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	\$150,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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