

### Fiscal Estimate - 2019 Session

Original
  Updated
  Corrected
  Supplemental

LRB Number <b>19-1651/1</b>	Introduction Number <b>AB-0023</b>
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**Description**  
 career and technical education incentive grants and making an appropriation

**Fiscal Effect**

**State:**

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

**Local:**

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
		2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Counties <input type="checkbox"/> Others
		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<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) (bz)

<b>Agency/Prepared By</b> DPI/ Grant Huber (608) 266-2003	<b>Authorized Signature</b> Erin Fath (608) 266-2804	<b>Date</b> 2/18/2019
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## Fiscal Estimate Narratives

DPI 2/18/2019

LRB Number	19-1651/1	Introduction Number	AB-0023	Estimate Type	Original
<b>Description</b> career and technical education incentive grants and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

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Under current law, Department of Workforce Development may award an incentive grant to a school district in the amount of \$1,000 per pupil who, in the prior school year obtained a high school diploma and successfully completed certain industry-recognized certification programs approved by DWD.

This bill increases the appropriation by \$3,500,000 in fiscal year 2019-20 and fiscal year 2020-21 to fund the incentive grants.

Both the Department and DWD are involved in the certificate verification process. In 2013-14 there were 2,991 eligible claims submitted by 224 school districts. Those school districts received \$1,000 per qualified claim.

In 2014-15 there were 3,934 eligible claims submitted by 265 school districts. Claims were prorated and schools received \$762.58 per qualified student.

In 2015-16 there were 4,682 eligible claims submitted by 272 school districts. Claims were prorated and schools received \$640.75 per qualified student.

In 2016-17 there were 5,525 eligible claims submitted by 307 school districts. Claims were prorated and schools received \$633.48 per qualified student.

The 2017-18 data is currently in the verification process and the preliminary data indicates that 7549 total claims were submitted from 316 school districts for that year. It is unknown the extent eligible claims could potentially exceed the appropriation for this year. Final numbers will not be available until June/July 2019.

It is anticipated that costs for this program will increase as both the number of eligible students and the number of school districts submitting claims continues to grow. The enactment of 2017 WI Act 336 which made career and technical education incentives grants available for public safety occupations training may further increase the demand for these grants. However, it is unknown how many additional students will qualify in future years and the potential growth in the number of approved certificate programs offered by school districts.

However, by looking at the average growth rate in claims between FY14-FY18 we can project the following:

If we assume modest growth in the number of claims submitted (10 percent in FY19 and 6 percent in FY20), and that 80 percent of all claims will be eligible for awards, estimated aid for eligible claims would be \$6,643,000 in FY20 and \$7,042,000 in FY21. Thus awards in FY21 could potentially be prorated. (See Attachment)

State: Increased revenues (\$3.5 million GPR annually)

Local: Increased revenue

### Long-Range Fiscal Implications

It is anticipated that costs for this program will increase over time due to a number of factors. Based on the previous years data, the number of eligible claims is expected to continue to increase. Furthermore, increases in the number of approved certificate programs offered by school districts in future years may provide additional opportunities for students to earn industry-recognized certificates.

However, it is not possible to predict the level of those future changes and whether the program will be able to fully fund all claims.

FISCAL ESTIMATE FOR:		19-1651/1 [AB 23]									
CTE Incentive Grants FY15-21											
Data Year	Aid Year	Claims Submitted	Eligible Claims	% claims eligible	Projections	PRORATIO N	Appropriation - Aid Year	Growth-claims submitted	Growth-eligible claims		
FY14	FY15	3462	2991	86.4%			\$ 3,000,000				
FY15	FY16	4591	3934	85.7%			\$ 3,000,000	32.6%	31.5%		
FY16	FY17	5710	4682	82.0%			\$ 3,000,000	24.4%	19.0%		
FY17	FY18	6773	5525	81.6%			\$ 3,500,000	18.6%	18.0%		
FY18 (est.)	FY19 (est.)	7549	6039	80.0%	\$ 6,039,000	58%	\$ 3,500,000	11.5%	9%		
FY19 (est.)	FY20 (est.)	8304	6643	80.0%	\$ 6,643,000	100%	\$ 7,000,000	10.0%	10.0%		
FY20 (est.)	FY21 (est.)	8802	7042	80.0%	\$ 7,042,000	99%	\$ 7,000,000	6.0%	6.0%		