

Fiscal Estimate - 2019 Session

Original Updated Corrected Supplemental

LRB Number **19-1651/1** Introduction Number **AB-0023**

Description
career and technical education incentive grants and making an appropriation

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue 5. Types of Local Government Units Affected

Permissive Mandatory Permissive Mandatory Towns Village Cities
 Counties Others
2. Decrease Costs 4. Decrease Revenue School Districts WTCS Districts
 Permissive Mandatory Permissive Mandatory

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.445(1)(bz)

| Agency/Prepared By | Authorized Signature | Date |
|-----------------------------------|----------------------------------|-----------|
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Fiscal Estimate Narratives

DWD 2/13/2019

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Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Workforce Development (DWD) is appropriated \$3,500,000 GPR annually to award incentive grants to school districts in which students successfully complete certain industry-recognized certification programs (IRCPs) 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.

Per 2015 WI Act 55, the budget bill, the career and technical education grant program (CTE) was transferred from the Department of Public Instruction (DPI) to DWD. The transfer did not include staff resources for DWD to manage the annual approval process for new IRCP applications, the annual review process for existing IRCPs, which is currently over 150 certificate programs, or the ongoing administrative functions associated with completing the necessary due diligence and verification steps on the annual claims from school districts for the \$1,000 per pupil incentive grants. For the 2016-17 school year 6,773 claims were submitted and 5,525 claims were determined eligible for incentive grant awards. To date DWD has absorbed the cost of administering the CTE program, which is estimated to be 0.5 FTE of staff time annually for a cost of \$46,400 for salary and fringe plus \$12,300 for other operations costs such as rent, computer, internet/phone, supplies and administrative support services.

This estimate assumes the current division of responsibilities between DWD and DPI for CTE program administration is maintained. DWD also assumes the growth in school district participation, which increased by 15.8% in the past three years, and the growth in eligible claims for student completions, which increased by 40.4% in the past three years to a total of 5,525 will continue and that it is reasonable to expect that the effect of doubling the total grant award amount will lead to a doubling of the staff effort for administration to 1.0 FTE. Because there is not a funded position for this work, DWD will have to reallocate staff resources to cover the CTE administration functions. The annualized DWD cost for administering the CTE program is estimated to be \$92,800 for salary and fringe, with an hourly wage \$30.00/hour and fringe at 48.75%, plus \$24,600 for other operations costs for a total cost of \$117,400.

Long-Range Fiscal Implications