

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4245/1	Introduction Number AB-0508
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Description
 housing and homelessness; workforce development; community action agencies; poverty reports; mental health; public assistance advisory committee; economic security; adverse childhood experiences reports; creating a nonrefundable individual income tax credit for household and dependent care services; reimbursement for nonemergency medical transportation services; urban mass transit aid; and making an appropriation

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input checked="" type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Towns	<input checked="" type="checkbox"/> Village <input checked="" 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	20.445(1)(fc); 20.445(1)(cr)

Agency/Prepared By	Authorized Signature	Date
DWD/ Lillian Kelly (608) 266-7034	Danielle Williams (608) 266-2284	10/22/2019

Fiscal Estimate Narratives

DWD 10/22/2019

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Assumptions Used in Arriving at Fiscal Estimate

This bill increases funding in GPR appropriation s.20.445(1)(cr) State supplement to employment opportunity demonstration projects by \$799,400 from \$200,600 up to \$1,000,000 in each fiscal year of the 2019-21 fiscal biennium. As required by s.103.005(21) the Department of Workforce Development (DWD) shall distribute all funds under s.20.445(1)(cr) to community action agencies and organizations to support job creation for low income individuals. The Wisconsin Community Action Program (WISCAP) Association, comprised of 11 community action agencies in addition to the Great Lakes Intertribal Council, is the only community action coalition in Wisconsin and is the current recipient of the funding under this section. Under current law DWD has minimal oversight responsibilities for this program, and the bill does not indicate new DWD oversight roles are required. If the funding increase triggers non-statutorily required oversight requirements for DWD, an annual cost to administer the program is estimated to be \$19,100. This estimate assumes \$12,900 for staff costs at 265 hours of staff time at \$29.75 per hour, with a fringe rate of 45.58% and \$6,200 for administrative support and travel costs for five WisCap program site visits per year. The staff hours, if needed, would perform audit functions and provide technical support. The department is not able to absorb these administrative costs.

AB 508 also requires DWD to establish a pilot transitional jobs program that operates during the 2019-21 fiscal biennium and includes a provision to sunset funding on June 30, 2021. The bill creates s. 20.445 (1)(fc) as an annual GPR appropriation and funds the program with \$500,000 in each fiscal year of the 2019-21 biennium.

Bill provisions limit the eligible population to individuals receiving housing vouchers or receiving services from state-funded homeless shelters and require DWD to offer job and employment services similar to those offered under Transform Milwaukee Jobs and Transitional Jobs program (s. 49.163). Under the bill DWD must establish eligibility criteria for individuals participating in the pilot program and may either administer the program itself or contract with an entity to administer the pilot program that is also authorized to administer the programs under s. 49.163.

This estimate assumes that to implement the pilot program DWD will undertake a request for proposals (RFP) process leading to a contract with one or more service providers defined at s. 49.163 (4). DWD estimates the staff time needed to develop and score the RFP, implement final contracts, and coordinate program administration, including monitoring and evaluation of the pilot program and reporting on its outcomes, will be equal to one full time equivalent position.

The bill does not create new position authority for DWD for the pilot program administration functions. DWD assumes that duties for existing staff will be reallocated to create capacity for this program, and that costs associated with program administration will be paid for with GPR in s.20.445(1)(fc). The department is not able to absorb these administrative costs.

DWD estimates that costs to administer the program will total at least \$208,700 during the biennium leaving at most \$791,300 for direct transitional jobs services. This estimate assumes one full time staff person in place for eight months in year one and twelve months in year two. The assumed hourly compensation is \$29.75 with fringe costs calculated at DWD's current agency specific fringe rate of 45.58%. Staff costs for the biennium total \$150,100. Other administrative costs include 360 hours of IT programming at \$86 per hour for a total cost of \$31,000. The IT programming is needed to track participants and outcomes and provide reporting capacity. DWD

also estimates a total cost of \$27,600 to cover staff related supplies, travel and internal DWD support services.

Local fiscal effects resulting from pilot program outcomes are indeterminate. Assuming the pilot program assists some number of homeless individuals to maintain unsupported local employment, there will likely be reduced local expenditures and increased local revenues by an amount dependent on individuals' length of time of workforce attachment, wage progression and other factors that are unknown at this time.

This bill establishes the Council on Workforce Investment (CWI) in a new section of statute (s.106.1115) and adds CWI as an entity that the Department of Workforce Development cooperates with in establishing and administering federal funds under the Workforce Innovation and Opportunity Act (WIOA). The bill directs CWI to include in the state's WIOA State Plan identification of employment, training and educational services for three specific populations as defined in title 42 of the United States Code: homeless individuals from ages 18 to 24; certain children placed in out-of-home care; and homeless adults. These populations are already included in WIOA's definition of individuals with barriers to employment, and they are populations that are expected to be addressed in the state's WIOA State Plan that will be submitted to US Department of Labor in early 2020. These provisions of the bill have no fiscal impact with respect to DWD's administrative costs.

This bill repeals an obsolete provision regarding assistance to dislocated workers that was administered as part of the WIA and updates references to the United States Code sections regarding WIOA. These actions will have no fiscal impact.

The following Fiscal Estimate Worksheet only includes the annualized cost increase associated with the \$799,400 GPR appropriated to s. 20.445 (1)(cr) and does not include an annualized cost estimate for the one-time funding provided in s. 20.445 (1)(fc) for the purpose of providing services to Wisconsin's homeless population through a transitional jobs pilot program.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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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	\$0	\$
(FTE Position Changes)	(0.0 FTE)	
State Operations - Other Costs	0	
Local Assistance	0	
Aids to Individuals or Organizations	799,400	
TOTAL State Costs by Category	\$799,400	\$
B. State Costs by Source of Funds		
GPR	799,400	
FED	0	
PRO/PRS	0	
SEG/SEG-S	0	
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	\$0	\$
GPR Earned	0	
FED	0	
PRO/PRS	0	
SEG/SEG-S	0	
TOTAL State Revenues	\$0	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$799,400	\$
NET CHANGE IN REVENUE	\$0	\$

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Date

10/22/2019