

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2833/1	Introduction Number SB-0271
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Description
 a commercial driver training grant program 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 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	<input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenue	
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
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	

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

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) (bk) and 20.445 (1) (bm)

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DWD 5/19/2023

LRB Number	23-2833/1	Introduction Number	SB-0271	Estimate Type	Original
Description a commercial driver training grant program and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Workforce Development (DWD) to establish and administer a grant program for commercial driver (CDL) training providers. To be eligible for a grant, the CDL training provider must satisfy entry-level driver training requirements established by the Federal Motor Carrier Safety Administration (FMCSA) under 49 CFR Part 380, subparts F and G and be listed on the FMCSA's Training Provider Registry (TPR). In addition, the provider's trainee(s) must obtain an initial commercial driver's license after the effective date of the bill. Under the bill, grants to CDL training providers may not exceed 50 percent of the costs of training for each trainee or \$3,000, whichever is less.

The bill creates a new annual GPR appropriation for DWD for the commercial driver training program, with \$0 in each year of the 2023-25 biennium. DWD cannot award grants to CDL training providers unless DWD's appropriation is increased. The bill increases the supplemental appropriation for the Joint Committee on Finance (JFC) under s. 20.865 (4) (a) by \$1,500,000 in each year of the 2023-25 biennium to provide funding for the proposed commercial driver training grant program. For the purposes of this fiscal estimate, DWD assumes it would request a transfer to DWD of the funding appropriated to JFC following the procedures under s. 13.10.

The fiscal effect of the bill is estimated to be substantial and not absorbable, but costs are indeterminate at this time. Implementing the bill's requirements, primarily related to staff time needed to determine applicant eligibility and allowable award amounts, are estimated to have a significant cost impact to the department.

The bill does not limit eligible training providers to be located in Wisconsin, therefore any CDL training provider in the U.S. is allowed to apply and be considered for a grant. Currently, there are over 30,000 training entities listed in the TPR, of which just over 600 listed have locations in Wisconsin. Grant administration activities such as reviewing applications for completeness, executing grant agreements between awardees and the department, verifying that training occurred, and reviewing and responding to appeals for any applications found ineligible, are assumed to require a significant workload.

In addition, establishing grant award eligibility in terms of applicants' compliance with 49 CFR Part 380, subparts F and G, which includes, but is not limited to requirements for facilities, equipment, and instructor credentials, could require a substantial staff effort. Determining compliance may involve on-site evaluations. The department anticipates coordinating with the Wisconsin Department of Transportation (DOT) and FMCSA for assistance in establishing applicant eligibility for the program, however, this coordination effort and the cost to determine compliance is unknown and could be significant.

Determining grant award amounts would also require a significant administrative investment by the department. Under the bill, grant amounts awarded may not exceed 50 percent of the training costs or \$3,000, whichever is less, for each individual trained. To meet these requirements, DWD would need to request and review applicants' cost reports that provide sufficient information to allow the department to verify the cost to train each individual trainee. With a potentially large number of eligible applicants, reviewing costs would be a significant work effort for the department.

The bill amends s. 20.445 (1) (bm) to include DWD's administrative responsibilities for the grant program but provides no additional budget or position authority. All funding and FTEs under this appropriation are fully subscribed.

DWD estimates costs associated with implementing the proposed bill to be substantial and not absorbable, but at this time, the dollar amount of the increase is indeterminate.

Long-Range Fiscal Implications