

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0823S.01I
Bill No.: SB 128
Subject: Department of Economic Development; Education, Higher Education; Department of Higher Education and Workforce Development
Type: Original
Date: February 25, 2025

Bill Summary: This proposal modifies provisions relating to the Department of Higher Education and Workforce Development.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** assume section 173.2865 provides the department with the authority to make grants to eligible entities, as defined by the federal Workforce Innovation and Opportunity Act, or its successor, using funds provided by the act, general revenue, or other funds as appropriated by the general assembly. With that grant authority, the department will be able to issue grants directly rather than going through the procurement process. The estimated cost savings from not having to go through formal procurement would be approximately \$3,488. Time savings for DHEWD staff would be approximately 96 hours.

Oversight does not have any information on the contrary. However, Oversight assumes there would be immaterial savings on the organization. Therefore, Oversight will not reflect the estimated cost savings by DHEWD in the fiscal note.

Oversight notes, the Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market, and to match employers with the skilled workers they need to compete in the global economy. Congress passed the Act with a wide bipartisan majority; it is the first legislative reform of the public workforce system since 1998.

WIOA authorizes Workforce Development Boards (WDBs) to drive the vision for the workforce system at the state and local levels and maintain the critical role of leading state and local implementation of the Workforce Innovation and Opportunity Act (WIOA).

Officials from the **Department of Economic Development, Office of Budget and Planning, Office of Administration and Department of Labor and Industrial Relations** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

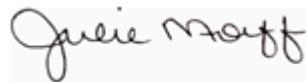
Department of Economic Development

Department of Higher Education and Workforce Development

Department of Labor and Industrial Relations

Office of Administration

Office of Budget and Planning



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February 25, 2025



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