COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4326S.01I
Bill No.: SB 1228
Subject: Department of Economic Development; Higher Education; Department of Higher Education and Workforce Development
Type: Original
Date: March 18, 2026

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 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on Other State Funds	**$0**	**$0**	**$0**

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

§§173.2800, 173.2805, 4 173.2850, 173.2855, 173.2860, and 173.2865 - Department of Higher Education and Workforce Development

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state that §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 **Office of Administration - Budget and Planning**, **Department of Economic Development**, **Department of Labor and Industrial Relations**, and **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

FISCAL IMPACT – State Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
	$0	**$0**	**$0**

FISCAL IMPACT – Local Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
	$0	**$0**	**$0**

FISCAL IMPACT – Small Business

No direct fiscal impact on 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

Office of Administration - Budget and Planning
Department of Economic Development
Department of Higher Education and Workforce Development
Department of Labor and Industrial Relations
Office of Administration

Julie Morff
Director
March 18, 2026

Jessica Harris
Assistant Director
March 18, 2026

MR:LR:OD