

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-3672/2</b>	<b>Introduction Number</b> <b>AB-683</b>
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**Subject**  
 College savings program; permit contracting with more than one manager

**Fiscal Effect**

**State:**

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

<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 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 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS 20.585(2)(m)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
TREAS/ Marty Olle (608) 264-7886	Christine Gunter (608) 264-6995	1/7/2004

**Fiscal Estimate Narratives**

**TREAS 1/7/2004**

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<b>Subject</b> College savings program; permit contracting with more than one manager		

**Assumptions Used in Arriving at Fiscal Estimate**

Costs related to writing and issuing requests for proposals, and costs of evaluating proposals and writing contracts for multiple vendors would likely not fit within the agency's current expenditure authority. There would be significant cost to provide the federally-required daily oversight of vendor operations and related staff services to the College Savings Program Board. Federal rules require states to coordinate the data from all vendors to insure that investors do not exceed the program's maximum investment for a beneficiary. Also, annual audit expenses would likely be \$50,000 or more per vendor, depending on the number of investment options provided by each vendor. If the state chooses to add additional vendors, the agency would have to submit a s.13.10 request for additional segregated budget authority. It is assumed that revenues from any new contracts would cover all cost increases.

**Long-Range Fiscal Implications**