

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-4140/1	Introduction Number AB-811
------------------------------------	--

Subject
 Technical college districts; appropriation portion of issuance of revenue bonds for services to business

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

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

Local:

No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <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 checked="" type="checkbox"/> 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	

Agency/Prepared By	Authorized Signature	Date
DOR/ Pamela Walgren (608) 266-7817	Dennis Collier (608) 266-5773	2/13/2004

Fiscal Estimate Narratives

DOR 2/13/2004

LRB Number	03-4140/1	Introduction Number	AB-811	Estimate Type	Original
Subject					
Technical college districts; appropriation portion of issuance of revenue bonds for services to business					

Assumptions Used in Arriving at Fiscal Estimate

AB 811 creates the appropriation for AB 796. AB 796 would create a Wisconsin Advantage Program that would allow the technical college district boards under the Technical College System Board to enter into contracts with businesses in their districts to provide certain training and educational services to the businesses. District boards could not enter contracts that would exceed \$3,500 of costs per trainee and the System Board would have to ensure that total cost to all district boards would not exceed \$10 million in a fiscal year, unless the Joint Committee on Finance approved a higher amount. AB 796 would allow the district boards to issue 10-year revenue obligations. AB 796 requires Revenue to annually determine the amount of wages from which withholding would have been calculated for individuals whose names would be reported by the Department of Commerce and to calculate 1.5% of that amount, aggregated by technical college district, to the System Board. AB 811 would appropriate these amounts in a sum sufficient appropriation.

The Department does not have information to estimate the fiscal effect of the proposal. The fiscal effect of the program would depend upon the actual amount spent on training, the debt service expenses and other costs to administer the program. Even though the proposal would limit the total costs of all district boards to \$10 million per fiscal year, the fiscal effect of the program may not be limited to \$10 million per year, since the revenue impact is based on a percent of specific income of individuals, not on the cost of providing services to them. The actual revenue loss attributable to \$10 million in contracts could be more or less than \$10 million. For example, if the cost per trainee approximates \$1,000, there would be about 10,000 trainees. Assuming they received the average Wisconsin wage of \$33,500, the revenue loss would be approximately \$5 million (10,000 x \$33,500 x 1.5%).

Long-Range Fiscal Implications