

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2429/2	Introduction Number SB-433
Description Grants to certain state agencies for information technology development projects, creation of an enterprise development fund, authorization to transfer certain moneys from state agency appropriation accounts, imposition of fees for state vender notifications, and making appropriations	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations	<input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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
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 type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS multiple	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
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Date	
12/12/2005	

Fiscal Estimate Narratives

DOA 12/13/2005

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Assumptions Used in Arriving at Fiscal Estimate

If enacted this bill would create a state enterprise development fund for information technology development projects. Monies for this fund would be generated through a combination of savings generated from the projects and a vendor notification fee.

The bill authorizes DOA, state agencies and the UW to charge vendors a fee for inclusion in a bidder's notification list. DOA maintains an internet based system where bids and requests for proposals are posted. Potential vendors may request notification based on product or service category. From 1997 through 2002 DOA charged vendors for this notification service. The fee at that time was \$125 per year. At its peak, this process included 1800 vendors generating \$225,000 in revenue. There are currently 5,000 vendors on the system. Assuming the same fee structure and full participation, this bill could generate a maximum of \$625,000 annually. In practice, some vendors will decline to participate. Consequently, the department estimates 60% of the current vendors would participate and generate \$375,000 revenue annually.

The department will incur one-time costs to notify vendors and enter information in the system so that only paid participants receive bid notifications. On an on-going basis, approximately 200 hours annually will be required to process renewals and maintain the system. These costs will be absorbed by the department.

Monies collected from the vendor fee, anticipated savings, and reallocations from PR, PRS and SEG funds would be used to fund information technology projects. While the department anticipates significant savings and service improvements as the result of this bill, no estimate can be provided until proposals have been submitted and evaluated.

Long-Range Fiscal Implications

Unknown