

Fiscal Estimate - 2019 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 19-4149/1	Introduction Number AB-0837	
Description purchase and renovation of a center for the employment of blind and visually impaired individuals, sale of the existing center, granting bonding authority, and making an appropriation		
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex;"> <div style="width: 50%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 50%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> </div> </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex;"> <div style="width: 50%;"> 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 </div> <div style="width: 50%;"> 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 </div> </div> </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </div> <div> Affected Ch. 20 Appropriations 20.505(1)(kc), 20.505(1)(ka), 20.866(2)(zcv), 20.867(3)(cv), 20.875 </div> </div>		
Agency/Prepared By DOA/ Josh Bachert (608) 261-2292	Authorized Signature Colleen Holtan (608) 266-1359	Date 2/11/2020

Fiscal Estimate Narratives

DOA 2/11/2020

LRB Number	19-4149/1	Introduction Number	AB-0837	Estimate Type	Original
Description purchase and renovation of a center for the employment of blind and visually impaired individuals, sale of the existing center, granting bonding authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

2019 AB 837 proposes to create appropriations s. 13.48(46p), s. 20.866(2)(zcv), and s. 20.867(3)(cv) Wis. Stats., and provides that the 2019-21 State Building Program would be amended to add a grant to Wiscraft, Inc., for the purchase and renovation of a facility in Milwaukee County that will be used to provide the visually impaired with employment and related services therein.

Of the total project cost of \$11,000,000, the proposed bill provides up to \$5,000,000 authorized by the State Building Commission in general fund supported borrowing from the newly created sum sufficient appropriation from the capital improvement fund (s. 20.866(2)(zcv), Wis. Stats.), and an additional \$6,000,000 from gifts, grants, and other receipts (nonstate revenue sources). Prior to the awarding of any state funds, the State Building Commission would be required to verify that Wiscraft, Inc., was able to secure \$6,000,000 in funding from nonstate sources.

The State Building Commission would not be able to grant funds to the project under s. 13.48(46p), Wis. Stats., until the Department has reviewed and approved plans for the project. Once approved, the Department may not supervise any services, work, or let any contract for the project.

Upon completion of the project, and no later than 6 months after Wiscraft, Inc., vacates the project site, the Department will be responsible for selling the current land and facility owned by Wiscraft, Inc., through a competitive bid process under s. 16.848, Wis. Stats. Following the sale, the Department is required to deposit the proceeds of the sale into the Budget Stabilization Fund, rather than using those funds to make repayments of the debt.

The Department's Division of Facilities Development and Management (DFDM), under s. 16.85 Wis. Stats., is responsible for the design and build of state building projects. State project plans are reviewed by DFDM's Bureau of Architecture and Engineering for structural soundness, building quality, and compliance with state and local building codes. Under AB 837, DFDM would be responsible for reviewing and approving the design and build of Wiscraft, Inc.'s, proposed project plans. After review and approval, AB 837 requires that DFDM's supervision of the project is terminated.

Following completion of the renovation project, and once the project site has been vacated, DFDM will begin the process of selling the land and facility pursuant to s. 16.848 Wis. Stats. DFDM will notify first the State Building Commission of the intended sale. Upon approval of the State Building Commission, DFDM then notifies the Joint Committee on Finance in writing of the intended sale, and upon approval from the Committee, shall draft a request for proposal (RFP). Upon completion of the RFP, DFDM then posts the RFP to a state internet site to solicit competitive bid proposals. At the close of the bidding period, the highest bid proposal is selected. Upon receipt of payment for the property, the funds are typically used to pay off the debt service pursuant to s. 16.848 (4)(a), Wis. Stats. However, under AB 837, the funds will instead be deposited into appropriation s. 20.875 Wis. Stats., the Budget Stabilization Fund.

The Department's Capital Finance Office within the Division of Executive Budget and Finance (DEBF) is responsible for providing debt management of general obligations, revenue obligations, and appropriation obligations issued by the State. As such, DEBF would be responsible for the contracting of the public debt proposed under AB 837, for ensuring that the loan repayment and management was statutorily compliant, and that it adhered to the Post Issuance Bond Compliance Policy and its identified federal tax requirements. DEBF would also be responsible for awarding the state grant money and ensuring that Wiscraft, Inc., has secured the

outside funding sources required for the release of all state funds.

Department personnel time would be required for the design and build review and land sale by DFDM, as well as the debt financing, management, and compliance roles of DEBF. The amount of Departmental staff time required is indeterminate, however, the Department anticipates that the work would be able to be absorbed within current existing staffing levels.

Long-Range Fiscal Implications