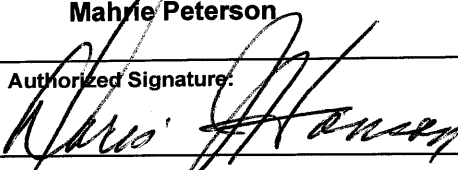


1999 Session		LRB Number 99 s0138/1
FISCAL ESTIMATE DOA-2048 N(R06/99)		Bill Number SB 60
<input type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input checked="" type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable Sen. Sub. 1
Subject TEACH Wisconsin program changes for public library boards		Administrative Rule Number
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<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		
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 type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <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 type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S		Affected Chapter 20 Appropriations Wis. Stats. 20.275 and 20.866
Assumptions Used in Arriving at Fiscal Estimate <p>The following information takes precedence over the information provided in the original fiscal estimate for SB 60 given the changes incorporated into Senate Substitute Amendment 1.</p> <p>Educational Technology Infrastructure Financial Assistance Program: This bill allows the TEACH Board to provide financial assistance from the capital improvement fund to public library boards for the purpose of purchasing communications servers, routers, hubs, or switches for direct connection to the Internet. The average cost for a CISCO router is \$2,000, with a range of from \$1,850 to \$2,600 per router. Hubs and switches cost approximately the same, although only one of these is needed with a router at any given site. The average cost for a server is \$8,000. Therefore, the total average cost for the hardware connection per library could be approximately \$12,000. It is estimated that a maximum of 237 public libraries, public library branches, and public library systems could request financial assistance for direct Internet connection. Therefore, total bonding is estimated to be \$2,844,000 (237 x \$12,000). Since the bill allows the state to contract public debt in an amount up to \$4.0 million, this financial assistance could be absorbed within the TEACH Board's bonding authority. The annual debt service over 4 years assuming an interest rate of 5.75% would be \$816,000. TEACH's share of the debt service would be \$408,000 annually. The increase in TEACH's annual debt service costs could also be absorbed within the existing appropriation.</p> <p>Telecommunications Access Program: The bill would also allow public library branches to be eligible for the telecommunications access program. It is estimated that there are 76 branch libraries attached to a total of 15 main libraries statewide. With a TEACH monthly dataline subsidy of \$540, inclusion of library branches could cost \$492,480 annually. In addition, there would be a one-time installation cost of \$350 per data line totaling \$26,000. These recurring and non-recurring costs could be absorbed within the TEACH Board's existing appropriation for the telecommunications access program.</p>		
Long-Range Fiscal Implications		
Prepared by: Mahrie Peterson	Telephone No. 261-7430	Agency TEACH
Authorized Signature: 	Telephone No. 261-7437	Date 01/19/00