

Original Updated
 Corrected Supplemental

1999 Session

LRB or Bill No. -- Adm. Rule No.
SB-316 --LRB-4020/1

Amendment No. if Applicable

FISCAL ESTIMATE
DOA-2048 N(R10/94)

Subject
W-2 COMMUNITY REINVESTMENT

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Government Units Affected
 Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected:

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations:

445(3)(md), 445(3)(dz)

Assumptions Used in Arriving at Fiscal Estimate

This bill makes changes in the procedure for the payment of W-2 community reinvestment (CR) funds. The changes specifically include funds paid under the 1997-1999 W-2 contracts. It requires the Department to establish criteria for the use of the funds retroactively to the Wisconsin Works contract that expired on December 31, 1999. The Department is required, under this bill, to submit the proposed criteria to the Joint Committee on Finance for passive review. The bill includes specific activities that will be allowed in community reinvestment programs. The Department is also required to certify that all proposed expenditures are permissible under the TANF block grant program. The bill further requires that prior to any community reinvestment funds being spent, the Department must certify that all non-public W-2 agencies have actively solicited public participation for the proposed use of the funds. Finally, the bill requires non-public W-2 agencies to submit a report to the Joint Committee on Finance no later than 12 months after receipt of CR funds that outlines the purposes for which CR funds were used and how they meet the DWD criteria.

Procedurally, this bill would be problematic to implement. An early release of a portion of projected community reinvestment funds was done in the Spring of 1999 based on projected spending levels. Additionally, a second release of up to 50% of the projected CR funds are planned to be released by the end of February 2000 to those W-2 agencies that have requested the funds and have had their plan for spending those funds approved by the department. Agencies have until September 30, 2000 to submit their plan for spending CR funds. The final release of CR funds will take place after the the 1997-1999 W-2 contracts have been closed out provided the agency has submitted a plan for spending and it has been approved by the department. The Department has always certified that the CR projects are permissible under the TANF block grant program but has not established specific criteria beyond the TANF program rules in order to allow local flexibility.

To the extent that this bill would change the terms under which CR funds are paid under the 1997-1999 contracts, it is most likely in violation of Article I, Section 12 of the Wisconsin Constitution, which prohibits the passage of any law impairing the obligation of contracts.

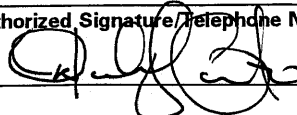
Long-Range Fiscal Implications

Agency/Prepared by:(Name & Phone No.)

Authorized Signature/Telephone No.

Date

DWD / James Bates 266-1123



2/17/00

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input type="checkbox"/> Original <input checked="" type="checkbox"/> Corrected	<input type="checkbox"/> Updated <input type="checkbox"/> Supplemental	LRB or Bill No./Adm Rule No. SB-316 / LRB-4020/1	Amendment No.
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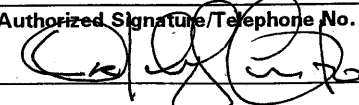
Subject
W-2 COMMUNITY REINVESTMENT

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$0	- \$0
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs	\$0	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$0	- \$0
TOTAL State Costs by Category	\$0	- \$0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
TOTAL State Revenues:	\$0	- \$0

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$0	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / James Bates 266-1123	Authorized Signature/Telephone No. 	Date 2 / 17 / 00
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