

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 community reinvestment funds are planned to be released to agencies in February 2000. 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.)

DWD / James Bates 266-1123

Authorized Signature/Telephone No.

[Handwritten Signature]

Date

2/14/00

FISCAL ESTIMATE WORKSHEET

1999 Session

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

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:	
A. State Costs by Category	Increased Costs	Decreased Costs
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 2/14/00
---	---	-----------------