

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3900/1	Introduction Number AB-579	
Subject Certified capital investment limitations, qualified business requirements, and reviews of certified capital company statements		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.143 (1) (hm)		
Affected Ch. 20 Appropriations		
Agency/Prepared By COMM/ Landon Williams (608) 267-9382	Authorized Signature Louie Cornelius (608) 266-8629	Date 10/10/01

Fiscal Estimate Narratives

COMM 10/17/01

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Subject					
Certified capital investment limitations, qualified business requirements, and reviews of certified capital company statements					

Assumptions Used in Arriving at Fiscal Estimate

Current law allows the Department of Commerce to certify up to \$50,000,000 in certified capital investments. This bill authorizes the Department to certify an additional \$100,000,000 in certified capital investments. This bill also changes personnel and payroll requirements, income reporting requirements, financial review requirements and provides penalties if qualified businesses violate agreed upon conditions.

The Department has six certified capital companies at this time. The Department estimates that it will receive at least six more applications from companies seeking certification as a result of this bill. The workload generated from the current six CAPCO's, with the absence of a full time auditor, has exhausted the available resources of the Department. Under these circumstances, existing personnel cannot absorb any additional workload.

Due to the anticipated increased workload created by this bill, the Department estimates that 1.0 FTE Auditor-Journey position will be required to handle the increased responsibilities. The Department originally estimated at the inception of the CAPCO program that for every 10 certified companies, it would need 1.0 FTE to handle the workload. Based on the Department's experience in administering the program, this estimate has proven accurate. The need for an additional 1.0 FTE is based on the following information:

- Certifying and maintaining the CAPCO program involves: auditing and reviewing financial statements, reviewing qualifications for evidence of venture capital experience, examining financial holdings, reviewing the organization of the company, auditing and reviewing the credit allocation plan, auditing and examining end of year reports to ensure the validity of investments and performing other financial and auditing requirements. This bill imposes additional requirements upon existing staff, which justifies the need for the requested Auditor-Journey position.
- Under the provisions of this bill, the Department anticipates certifying at least 12 companies. This number includes recertifying the existing six plus certifying at least six new companies.

Costs:

Auditor-Journey salary and fringe benefits: \$52,083.03
Departmental overhead charges: \$9,500.00
Ongoing supplies and services: \$1,200.00
Rent: \$2,000.00

Ongoing annual total: \$64,783.03

The costs of the additional position will be paid out of existing program revenues.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Certified capital investment limitations, qualified business requirements, and reviews of certified capital company statements			
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 funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$52,083		
(FTE Position Changes)			
State Operations - Other Costs	12,700		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$64,783		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS	64,783		
SEG/SEG-S			
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	\$		\$
GPR Earned			
FED			
PRO/PRS	45,000		
SEG/SEG-S			
TOTAL State Revenues	\$45,000		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$64,783		\$
NET CHANGE IN REVENUE	\$45,000		\$
Agency/Prepared By		Authorized Signature	Date
COMM/ Landon Williams (608) 267-9382		Louie Cornelius (608) 266-8629	10/10/01