



**Fiscal Estimate Narratives**  
**LAB 3/21/02**

LRB Number <b>01-2658/3</b>	Introduction Number <b>AB-905</b>	Estimate Type <b>Original</b>
<b>Subject</b> Creating a planning and accountability mechanism for administering public subsidies to businesses		

**Assumptions Used in Arriving at Fiscal Estimate**

AB 905 requires that the Legislative Audit Bureau annually compile and summarize reports prepared by state and local government agencies from reports they receive from businesses awarded subsidies. The Audit Bureau summary is also to include information provided by the Department of Commerce on the Development Zone and Technology Zone programs. In addition to providing summary information, the Bureau is required to compare and evaluate the effectiveness of the subsidy programs and make recommendations to improve the programs.

It is assumed that the accumulation and analysis of information would take place in the four months from the time the reports are available (April 1) to when the Bureau's summary report must be submitted (August 1). Concurrently, the Audit Bureau would perform the required evaluation of the effectiveness of the subsidy programs. It is estimated that this effort would require the work of several staff and be equivalent to one full-time position.

**Long-Range Fiscal Implications**

Increase appropriation s. 20.765(3)(c) by the costs to support one full-time equivalent position estimated at \$54,800.

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-2658/3	<b>Introduction Number</b> AB-905	
<b>Subject</b>		
Creating a planning and accountability mechanism for administering public subsidies to businesses		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
The Legislative Audit Bureau would incur one-time costs to work with the Department of Commerce and government agencies to establish a reporting mechanism that meets statutory requirements. This effort could be absorbed within the Audit Bureau's current budget.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$53,600	
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	1,200	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$54,800</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	54,800	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	State	Local
NET CHANGE IN COSTS	\$54,800	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
LAB/ Jacob Klam (608) 259-9828		
<b>Authorized Signature</b>		<b>Date</b>
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