

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-3625/8 **Introduction Number** SB-384

Subject
 Issuance of bonds by technical college districts for job creation

Fiscal Effect

State:

No State Fiscal Effect

Indeterminate

Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget

Decrease Existing Appropriations Decrease Existing Revenues Yes No

Create New Appropriations Decrease Costs

Local:

No Local Government Costs

Indeterminate

1. Increase Costs 3. Increase Revenue

Permissive Mandatory Permissive Mandatory

2. Decrease Costs 4. Decrease Revenue

Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities

Counties Others

School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.143 (1) (a)

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Fiscal Estimate Narratives

COMM 1/26/2004

LRB Number 03-3625/8	Introduction Number SB-384	Estimate Type Original
Subject Issuance of bonds by technical college districts for job creation		

Assumptions Used in Arriving at Fiscal Estimate

This bill authorizes a technical college district board to provide job training services as well as educational, vocational and professional services to businesses with prior approval from the state Technical College System Board (TCSB). These services may be paid for by the businesses who receive the services, or the TCSB may issue revenue bonds and pay for the debt service with existing revenues. The services rendered to businesses by the local technical college may not exceed \$3,500 per employee trained, unless authorized by the Joint Committee on Finance.

The bill requires the Department of Revenue (DOR) to determine the total wages subject to income tax withholding for an individual who has been provided services by the local technical college district. The DOR must certify 1.5% of the total amount calculated for each district, and return that amount to the TCSB for distribution to the technical college district that has provided services. The individuals who have received the training must be certified by the Department of Commerce, who must then distribute those names to the DOR. The bill does not require the Department of Commerce to provide services or funding to the individuals who receive services from the local technical college district, nor does it require the Department to develop listings of eligible or prospective individuals to receive training. The bill does not provide additional staffing or funding to the Department to independently verify the services provided to businesses by the local technical colleges or to certify individuals as eligible to receive services from the local technical colleges. As a result, the Department assumes that those functions will be carried out by the local technical college district.

Under this bill, the Department is required to promulgate rules to determine the number of individuals provided services from the local technical colleges, and to determine the identity of each person to submit to DOR. The Department estimates that the code development work will require approximately 200 hours of labor to write the necessary rules to comply with the requirements of the bill. These costs are estimated at \$9,800. The bill will require the Department to compile information provided to it by the local technical college districts, and pass this information to DOR. The Department anticipates incurring some mailing and postal expenses in addition to up to 20 hours of time compiling and forwarding the data. These costs are estimated to be approximately \$300 per year. The Department has experienced significant reductions to its operating budgets on both the salary and supplies and services lines. Without a supplement, the Department does not anticipate the ability to absorb the additional costs prescribed under this bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Issuance of bonds by technical college districts for job creation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$9,800			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs	300		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$300		\$
B. State Costs by Source of Funds			
GPR	300		
FED			
PRO/PRS			
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			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$300		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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