

Fiscal Estimate Narratives

UWS 2/8/2010

LRB Number	09-3274/3	Introduction Number	SB-447	Estimate Type	Original
Description State contractual services and false claims submitted to state and local governments, requiring the exercise of rule-making authority, and providing penalties					

Assumptions Used in Arriving at Fiscal Estimate

SB -447 substantially impacts how services will be bought in the State of Wisconsin. It makes substantial changes to current procedures. Given the broad definition of "contractual services" these new requirements will affect a wide array of contracts ranging from window washing to Information Technology consultants. The new reporting requirements, and review and approval processes, will have a substantial fiscal impact on the UW System. The fiscal estimates are built on a series of assumptions which are detailed below based on the Sections outlined in the original bill.

Section 1

This legislation mandates new reporting requirements. They include reporting the number of service hours and rate of pay tied to the UW's appropriations. There are many types of service contracts (window washing, hood inspections) in the UW system that are awarded based on a per project cost, per sq ft or some other measure. For those contracts awarded on a per project basis, these reporting requirements will require the UWS to amend all current contracts to require this type of reporting.

Section 5

Requires DOA to certify all Cost Benefit Analysis provided by agencies. This will require DOA to conduct in depth reviews of CBAs and will require the UW to allocate staff time to answer all questions. This will increase the number of purchasing staff needed to create and usher CBAs through the approval process.

Section 11

Requires all invoices exceeding 10% of the bid cost to be approved by the Secretary of DOA. The UW System does not know how many invoices might reach this threshold, but those invoices not approved within the 30 day prompt payment period will incur additional costs under that law.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description State contractual services and false claims submitted to state and local governments, requiring the exercise of rule-making authority, and providing penalties			
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	\$1,170,709		\$
(FTE Position Changes)	(13.6 FTE)		
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$1,170,709		\$
B. State Costs by Source of Funds			
GPR	1,170,709		
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	\$1,170,709		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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