

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4284/1	Introduction Number SB-573
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Description
 Providing fraudulent information to the Wisconsin Economic Development Corporation and providing a criminal penalty

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 410	

Agency/Prepared By DOC/ Jokisch Jacob (608) 240-5415	Authorized Signature Jeffrey Grothman (608) 240-5056	Date 1/15/2016
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Fiscal Estimate Narratives

DOC 1/15/2016

LRB Number	15-4284/1	Introduction Number	SB-573	Estimate Type	Original
Description Providing fraudulent information to the Wisconsin Economic Development Corporation and providing a criminal penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill establishes criminal penalties and other consequences for committing fraud against the Wisconsin Economic Development Corporation (WEDC). Under the bill, no one may make or cause to be made a false statement on an application for a grant, loan, tax benefit, or other benefit or payment (benefit) from WEDC or make or cause to be made a false statement of a material fact used to determine eligibility for a benefit from WEDC.

Additionally, if a person knows of the occurrence of any event that would affect the initial or continued eligibility for a benefit from WEDC, he or she may not conceal or fail to disclose that event in order to secure a benefit from WEDC or to secure a larger benefit than he or she is entitled or eligible to receive. Finally, no one may use a benefit from WEDC that is intended for a specific use for any other use. A person who does any of these things is guilty of a Class E felony and may be imprisoned for up to 15 years, fined up to \$50,000, or both.

Also, under the bill, if a person, or the person's authorized agent on behalf of that person, intentionally commits such economic development benefits fraud, the person, including all affiliates and successors, is ineligible for economic development benefits from WEDC for seven years from the date on which the fraudulent act was committed.

The Department of Corrections is unable to determine the fiscal impact of the bill as it cannot predict the number of people that will be sentenced and the sentencing practices of judges under the new law.

The average FY15 annual cost for an inmate in a DOC institution is approximately \$32,800. However, when there is excess capacity in DOC facilities, the incremental costs (i.e. food, health care and clothing) of housing a small number of inmates is approximately \$5,600 based on FY15 costs. Should the Department use contract beds, the rate would be approximately \$18,800 annually per person.

If there is a large increase in the number of offenders placed on probation or extended supervision, additional community corrections funding and/or positions may be necessary to handle the population.

The local fiscal impact of the bill cannot be predicted because the Department of Corrections cannot predict the number of people that will be sentenced and the sentencing practices of judges under the new law. Costs at the local level may increase if additional offenders are placed in jail for this offense. The average FY15 annual cost to jail an adult inmate was \$18,800.

Long-Range Fiscal Implications