

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-1851/1	Introduction Number AB-0125
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Description
 housing quality standards loans, granting rule-making authority, and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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	20.505(7)(fp); 20.505(7)(hp); 20.505(7)(a)

Agency/Prepared By DOA/ Robert Albrecht (608) 264-6343	Authorized Signature Colleen Holtan (608) 266-1359	Date 4/25/2019
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Fiscal Estimate Narratives

DOA 4/25/2019

LRB Number	19-1851/1	Introduction Number	AB-0125	Estimate Type	Original
Description housing quality standards loans, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a \$1,000,000 Housing Quality Standards Loan program, in which owners of rental housing units are issued loans for the purpose of satisfying applicable housing quality standards. Individual loans would be limited to \$10,000 with a limit of five total loans per recipient and the Department of Administration (DOA) would promulgate rules under which loans could be forgiven when occupants of the affected rental units are of low or moderate income. To the extent practicable, the department would be required to distribute loans equally among all counties in the state (at least 50% of loans to recipients in rural counties and no more than 20% to recipients in counties with a first-class city). DOA would also be required to publicize the loan program, including on the internet.

The bill would create two new appropriations under s. 20.505(7)(fp), Wis. Stats., providing GPR from which the department may award the loans, and s. 20.505(7)(hp), into which the Department would collect repayment to then be issued in subsequent loans. Appropriation s. 20.505(7)(fp), would be allotted \$1,000,000 GPR in FY20 and \$0 in FY21. This would in effect become a revolving loan fund.

The Department estimates one-time costs of \$5,200 for 400 hours of staff time related to implementing the requirements of the bill including the cost to update all internet and printed materials, monitoring forms and contract documents, and meeting with stakeholder groups. The Department anticipates it will be able to absorb one-time costs within current staffing levels and expenditure authority.

Estimated ongoing costs include salary and fringe and supplies and services related to: the development of contractual, outreach and publicity materials; technical assistance; award development; and travel costs for increased monitoring and for providing training and implementation guidance for grantees. DEHCR is unable to absorb the supplies and services and increased workload associated with the administration of the Housing Quality Standards Loan Program under the current level of staffing. The Department would require an additional 1.0 authorized Grants Specialist-Advanced FTE and associated supplies and services expenses under s. 20.505 (7)(a) to implement the program.

In addition to the direct costs to DEHCR in administering the program, a revolving loan program would require financial oversight from DOA's Division of Enterprise Operations (DEO). DEO finance management staff will be required for: assisting in meeting reporting requirements, managing expenditures, performing draws, monitoring audits, and for the handling of any lock-box information. The Department anticipates it will be able to absorb the workload with current staffing levels and expenditure authority.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description housing quality standards loans, granting rule-making authority, and making an appropriation			
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	\$66,600	\$0	
(FTE Position Changes)	(1.0 FTE)	(-0.0 FTE)	
State Operations - Other Costs	8,400	0	
Local Assistance	1,000,000	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$1,075,000	\$0	
B. State Costs by Source of Funds			
GPR	1,075,000	0	
FED	0	0	
PRO/PRS	0	0	
SEG/SEG-S	0	0	
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			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,075,000	\$0	
NET CHANGE IN REVENUE	\$	\$0	
Agency/Prepared By		Authorized Signature	Date
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