

Fiscal Estimate Narratives
WTCS 11/2/2009

LRB Number 09-3739/1	Introduction Number SB-378	Estimate Type Original
Description Exempting certain capital expenditures made by a technical college district from the requirement for a referendum		

Assumptions Used in Arriving at Fiscal Estimate

Section 38.15(1), Wis. Stats., requires technical college districts to submit to public referendum capital expenditures exceeding \$1.5 million. Section 38.15(3), Wis. Stats., identifies exceptions to this requirement.

AB 509, if enacted, This bill would add an exception to the referendum requirement by allowing technical college districts to subtract the portion of capital expenditures to be generated from student housing payments when calculating the total capital expenditure amount for student resident facilities.

At this time, none of the 16 technical college districts own student residence facilities and only one--Western Technical College in La Crosse--leases such a facility. Western Technical College has received the required approval from the Wisconsin Technical College System Board to lease a new student residence facility. If AB 509 is enacted, it is expected that Western Technical College will seek district and WTCS Board approval to purchase this facility, using student housing payments to finance the purchase cost.

Long-Range Fiscal Implications

If enacted, AB 509 would provide a new financing mechanism for technical colleges to construct or purchase student housing facilities and, therefore, technical colleges other than Western Technical College could consider constructing or purchasing student housing facilities. However, enactment of AB 509 creates no long-term fiscal effect on technical college property tax levies or tuition levels because AB 509 does not expand technical colleges' levy or expenditure authority or the Wisconsin Technical College System Board's capital project review and approval authority.