

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2121/1	Introduction Number AB-0123
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Description
 the information technology block grant program, the broadband expansion grant program, waiving certain fees and appraisals, and making appropriations

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease 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"/> Decrease Costs
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Local:

<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> 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 type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS	20,505 (4) (mp), 20,505 (4) (s), (t), (tm), (tu), (tw)

Agency/Prepared By DOA/ Debra G. Miller (608) 266-5877	Authorized Signature Colleen Holtan (608) 266-1359	Date 3/8/2017
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Fiscal Estimate Narratives

DOA 3/8/2017

LRB Number	17-2121/1	Introduction Number	AB-0123	Estimate Type	Original
Description the information technology block grant program, the broadband expansion grant program, waiving certain fees and appraisals, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

2017 AB 123 makes changes to the Department's TEACH program and makes changes to the Public Service Commissions' Broadband Grant Program that impact the Department.

The proposed legislation consolidates the appropriations funded under s. 20.505 (4) (s), (t), (tm), (tu), (tw), Wis. Stats, into one appropriation, s. 20.505 (4) (s), Wis. Stats., entitled Telecommunications access for educational agencies and teacher training grants. Each of these USF-funded appropriations is currently associated with categories of eligible TEACH entities (school districts, private and technical colleges and libraries, private schools, state schools, juvenile correctional facilities), and is used to provide for payments to telecommunications providers. The appropriation under s. 20.505 (4)(s), Stats., is also currently utilized for educational technology teacher training grants and information technology infrastructure grants. Currently, the appropriations under s. 20.505 (4) (tm), (tu) and (tw) are typically not fully utilized in a fiscal year (a balance of \$175,700 in unencumbered expenditure authority remained at the end of FY16), while the appropriations under s. 20.505 (4) (s) and (t) are fully utilized. Once authority is fully utilized in these appropriations, costs remaining in the fiscal year are paid from s. 20.505 (4) (mp), Wis. Stats., Federal e-rate aid. This consolidation would allow the Department to fully utilize the USF funds annually provided.

2017 AB 123 makes changes to the Information Technology Infrastructure competitive grant program administered by the Department. Currently, these grants are funded under s. 20 505 (4) (s), Wis. Stats., and are awarded annually to eligible school districts. Eligibility is limited to schools with 13 pupils or less per square mile that submit required information regarding plans and readiness to utilize information technology infrastructure to be purchased. An eligible district may receive a maximum award of between \$30,000 and \$60,000 during a biennium, depending on the membership of the school district. The current sunset of the program is July 1, 2017.

The proposed legislation would extend the sunset of the grant program to July 1, 2019. The number of pupils per square mile for a district to be eligible would be increased from 13 to 16, and an eligible school district's membership would be limited to 2,500 or less. 2017 AB 123 also specifies that the Department may award an additional amount of the block grants prior to July 1, 2017, not to exceed \$7,500,000. The maximum award available to a school district during the 15-17 biennium is waived for these additional grants. The authority of s. 20.505 (4)(s), Wis. Stats., is increased by \$7,500,000 in FY17, and \$7,500,000 is transferred from s. 20.505 (4) (mp), Wis. Stats., to the USF.

2017 AB 123 would require the transfer of the unencumbered balance remaining the USF-funded appropriation administered by the Department. The balance would be transferred to the appropriation under s. 20.155 (3)(r), Wis. Stats., Broadband expansion grants, administered by the Public Service Commission. Although a balance has typically remained in the current USF appropriations administered by the Department, the Department estimates that the provision of the proposed legislation consolidating the Department's USF appropriations would result in the full encumbering of the appropriation's authority. 2017 AB 123 would also require the transfer of \$5,000,000 from s. 20.505 (4) (mp), Stats., to s. 20.155 (3) (r), Stats. This transfer, together with the transfer of \$7,500,000 from this appropriation to the USF and the increased utilization of the appropriation funds to provide for TEACH service costs due to the use of the USF-funded appropriation for the grants, would decrease the current balance of the appropriation. The Department estimates that a sufficient balance is available to provide for the provisions contained in 2017 AB 123.

The Department anticipates that additional resources, estimated at 1.0 FTE project position, would be necessary to administer the changes to the Information Technology Infrastructure grant program, and that these resources could be requested by the Department under s. 16.54 (8), Wis. Stats.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description the information technology block grant program, the broadband expansion grant program, waiving certain fees and appraisals, and making appropriations		
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	\$64,600	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	12,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$76,600	\$
B. State Costs by Source of Funds		
GPR		
FED	76,600	
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, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		-12,500,000
PRO/PRS		
SEG/SEG-S	7,500,000	
TOTAL State Revenues	\$7,500,000	-\$12,500,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$76,600	\$
NET CHANGE IN REVENUE	\$-5,000,000	\$
Agency/Prepared By		
Authorized Signature		Date
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		3/8/2017