



Legislative Fiscal Bureau

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March 9, 2004

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 474: Additional Enumerations Under the 2003-05 State Building Program

Senate Bill 474 was introduced at the request of the Building Commission on February 20, 2004, and referred to the Joint Committee on Finance.

SUMMARY OF BILL

SB 474 would modify the 2003-05 state building program by enumerating four additional projects under the University of Wisconsin System. The following table lists the projects that would be enumerated under the proposal, the funding sources for the projects, and the total costs of each project.

<u>Project</u>	<u>Existing GPR Bonding</u>	<u>New PR Bonding</u>	<u>Existing PR Bonding</u>	<u>Agency Funds</u>	<u>Gifts and Grants</u>	<u>Total</u>
Ogg Residence Hall Demolition and Replacement -- Madison	\$0	\$34,900,000	\$0	\$1,000,000	\$0	\$35,900,000
School of Business Graduate School Facility -- Madison	10,000,000	0	0	0	30,000,000	40,000,000
Taylor Hall Renovation -- Oshkosh	0	0	13,000,000	0	0	13,000,000
Hunt Arena and Knowles Phy. Ed. Recreation Center Addition and Renovation -- River Falls	<u>1,876,000</u>	<u>0</u>	<u>330,000</u>	<u>0</u>	<u>0</u>	<u>2,206,000</u>
Total	\$11,876,000	\$34,900,000	\$13,330,000	\$1,000,000	\$30,000,000	\$91,106,000

The bill would authorize \$34,900,000 in the UW System's program revenue supported bonding to fund the Ogg Residence Hall demolition and replacement project on the UW-Madison Campus. In addition, the bill would exempt the existing Ogg Residence Hall from the current statutory requirement that every UW System residence hall and dormitory over 60 feet in height, where the initial construction was begun before April 26, 2000, contain an automatic fire sprinkler system on each floor by January 1, 2006. This exemption would apply until January 1, 2008.

FISCAL EFFECT

The bill would provide \$34,900,000 in additional UW-System program revenue supported bonding. However, due to the likely timing of the construction of the proposed facilities and the issuance of the bonds, the bill would not have a fiscal effect on the UW System's program revenue account in the 2003-05 biennium. Some of the projects proposed for enumeration in the 2003-05 would be funded with existing general fund and program revenue supported bonds.

In preparing debt service estimates for the 2003-05 biennium, projections were made as to the timing of issuance of bonds already authorized by the Legislature. The timing of when the debt service on the bonds associated with these projects occurs may be different than current projections relating to the use of this bonding. In addition, if the existing general fund bonding authority that would be reallocated under the bill were to remain unused, or eventually repealed, actual debt service amounts could be lower in the future under current law, than under the provisions of the bill. However, given the time needed before significant expenditures would occur on the larger projects, it is unlikely that carrying out these projects would increase overall debt service beyond existing estimates for the 2003-05 biennium.

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