

Fiscal Estimate - 2003 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 03-1957/2		Introduction Number AB-237	
Subject Funding of budget stabilization fund			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
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"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
		<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	
Fund Sources Affected			
<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			
Affected Ch. 20 Appropriations			
Agency/Prepared By		Authorized Signature	
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		Date	
		4/7/2003	

Fiscal Estimate Narratives

DOA 4/7/2003

LRB Number	03-1957/2	Introduction Number	AB-237	Estimate Type	Original
Subject					
Funding of budget stabilization fund					

Assumptions Used in Arriving at Fiscal Estimate

The bill would increase the transfer from the general fund from its current 50% percent to 100% of the difference between actual revenues and projected revenue. The bill would also prolong the transfers until the fund reached 11% instead of 5%. Once the fund is 8% plus \$100 million a new tax credit is created.

The bill is not likely to have a major effect in the upcoming biennium. In the longer term the bill does not create new revenues or authorize new expenditures, but would shift a greater proportion of revenues from the general fund to the budget stabilization fund. Thus, the accounting presentation of state funds is presented differently by placing them in a specially designated fund but the fiscal effect on the state overall is not changed in terms of revenues. It could be argued this fund designation may have favorable consequences for bond ratings and interest rates. The new credit would offset a growing balance in the fund once it reached the prescribed level of 8% plus \$100 million.

Long-Range Fiscal Implications

Unknown.