

### Fiscal Estimate - 2003 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>03-3029/2</b>		<b>Introduction Number</b> <b>AB-480</b>	
<b>Subject</b> Bonding authority for stewardship program			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input checked="" type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<b>5. Types of Local Government Units Affected</b>	
<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"/> Villages	<input type="checkbox"/> Cities	
<input type="checkbox"/> Counties	<input type="checkbox"/> Others		
<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		20.370(7)(aa), (7)(fy) and (5)(da)	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>	
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	10/27/2003	

## Fiscal Estimate Narratives

DNR 10/27/2003

LRB Number	03-3029/2	Introduction Number	AB-480	Estimate Type	Original
<b>Subject</b>					
Bonding authority for stewardship program					

### Assumptions Used in Arriving at Fiscal Estimate

The bill reduces the bonding authority under the 10-year Stewardship program by \$245,000,000, from \$572,000,000 to \$327,000,000 (a 43% reduction). The bill specifies that of the available bonding authority, \$15,000,000 (25% of the currently available funding) would be provided to DNR for land acquisition, property development, and local assistance in fiscal year 2003-04 and \$10,000,000 (17% of the currently available funding) would be provided in fiscal year 2004-05. Of the \$15,000,000 available in fiscal year 2003-04, \$5,000,000 would be used to complete the acquisition of the Peshtigo River State Forest. From fiscal year 2005-06 to fiscal year 2009-2010, \$30,000,000 in bonding authority (50% of the currently available funding) would be provided to DNR for land acquisitions, property development and local assistance to nonprofit conservation organizations and local units of government. In fiscal years 2003-04 and 2004-05, the amount allotted for property development on Department properties would be \$2,000,000 (71% reduction), and the amount allotted for local assistance would be \$3,000,000 (62% reduction). In fiscal years 2005-06 through 2009-10, \$7,500,000 (50% reduction) would be allotted for Department property development and local assistance.

These decreases in available funding will result in a loss of up to \$5 million annually in federal grant funding received as matching funds by the Department, based on average annual federal funding received by the Department for this purpose. Additionally, many opportunities for the acquisition of land for resource protection and for the provision of outdoor recreation for the public will be lost.

**Debt Service:** Subsequent bond issues related to Stewardship acquisitions would decrease, reducing debt service payment costs beginning in 2003-04. It is estimated that the total reduction in debt service based on reducing bond issues by \$245 million would be roughly \$390 million over a 27-year period. However, this reduction would not occur evenly and would be heavily weighted toward the end of the 27-year period. It is estimated the savings would be \$350,000 in FY04 and \$2.4 million in FY05. For purposes of this fiscal estimate, an annual average of \$14.5 million is estimated (\$390 million divided by 27 years).

**Aids in lieu of property tax payments:** There would also be a savings in aids in lieu of property tax payments to local units of government. This savings is estimated to be \$56,700 in FY05, and would be expected to increase in future years. For the purposes of this fiscal estimate, the average annual savings over a 27 year period is estimated to be \$199,600 at a mill rate of \$22 per \$1,000 of property value. This would have no effect on local governments because they would continue to collect normal property taxes.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> <b>03-3029/2</b>		<b>Introduction Number</b> <b>AB-480</b>	
<b>Subject</b>			
Bonding authority for stewardship program			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		-14,500,000
	Local Assistance		-199,600
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>-\$14,699,600</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		-14,699,600
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		-5,000,000
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>-\$5,000,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$-14,699,600	\$
NET CHANGE IN REVENUE		\$-5,000,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	10/27/2003