

2009 DRAFTING REQUEST

Assembly Amendment (AA-AB75)

Received: **05/01/2009**

Received By: **agary**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Dyck**

This file may be shown to any legislator: **NO**

Drafter: **emueller**

May Contact:

Addl. Drafters:

Subject: **Transportation - other**

Extra Copies: **ARG**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **aaron.gary@legis.wisconsin.gov**

Pre Topic:

LFB:.....Dyck -

Topic:

Harbor assistance program (paper 774)

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary 05/06/2009			_____			
/P1	emueller 05/07/2009	jdye 05/08/2009	rschluet 05/08/2009	_____	sbasford 05/08/2009		

FE Sent For:

<END>

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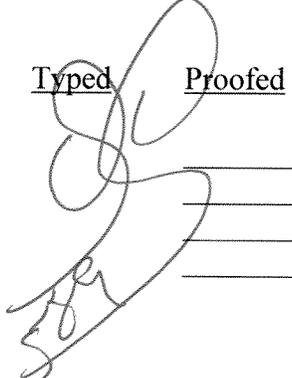
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1/?	agary 05/06/2009 emueller	1/PI 5/8jld					
1/PI	EM 5/7/09						

FE Sent For:

<END>

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

Ac w/

5/1

Jon Dyck -

paper 773 - AHS 1 & 2

774 - AZ 66, 100, 000

B.I.B. excluding (b) => only (a)

freight rail report - report
subm. Hed to JFC

addition to other alternatives presented in this paper, the Committee could decide to reduce the bill's proposed bonding level. One alternative [Alternative #A2] would be to provide bonding authorization of \$12,700,000, which would be a reduction of \$6,350,000 relative to the bill, and would be the same amount requested by the Department for the 2009-11 biennium. Alternately, the bill could be amended to provide a bond authorization of \$6,000,000 [Alternative #A3], which would be a reduction of \$13,050,000 relative to the bill, but would double the amount of bonds provided in the two biennia prior to the expansion of the program in the 2005-07 biennium.

18. When fully issued, the debt service on the bonds provided by the bill would be about \$1.5 million annually. Due to the time elapsed between when projects are approved for funding and the time that bonds are actually issued, the full, annualized debt service on the proposed bonds would not be paid during the biennium. The Department of Administration's overall general obligation debt service estimates are based on the assumption that the new harbor improvement bonds would not be issued during the biennium or would be issued late enough that no debt service payments would be incurred during the biennium. [The bill reflects an increase in debt service on harbor bonds of \$351,600 in 2009-10 and \$874,700 in 2010-11 above 2008-09 debt service, but this increase is attributable to the issuance of existing, unused bonds.] However, in submitting its biennial budget request, DOT typically assumes that one-half of the bonds programmed in each year (equal to one-quarter to the biennial total) would be issued in the year for which grants are made and the remaining 50% would be issued in the following year. Under this assumption, debt service payments would be incurred on the new bonds during the 2009-11 biennium, and, therefore, the debt service estimate reflected in the bill may be too low. The bill could be amended to reflect the Department's bond issuance assumption, and DOA's assumed interest rates and bond issuance structure, which would result in a debt service increase, relative to the bill, of \$71,400 SEG in 2009-10 and \$558,100 SEG in 2010-11. If the Committee adopts one of the bond reduction alternatives described in the previous point, these amounts would be lower. At an authorized bonding level of \$12,700,000, additional debt service would be \$47,600 in 2009-10 and \$372,100 in 2010-11, while at an authorized bonding level of \$6,000,000, additional debt service would be \$22,500 in 2009-10 and \$175,800 in 2010-11.

ALTERNATIVES

A. Harbor Assistance Program Funding

1. Approve the Governor's recommendation to provide \$19,050,000 in general obligation bond authority for the harbor assistance program. Increase funding by \$71,400 SEG in 2009-10 and \$558,100 SEG in 2010-11 to reflect a reestimate of debt service on these bonds.

ALT A1	Change to Bill Funding
SEG	\$629,500

2. Modify the Governor's recommendation by providing \$12,700,000 in general obligation bond authority for the harbor assistance program, a reduction of \$6,350,000 from the amount provided in the bill. Increase funding by \$47,600 SEG in 2009-10 and \$372,100 SEG in 2010-11 to reflect estimated debt service on these bonds.

ALT A2	Change to Bill Funding
BR	-\$6,350,000
SEG	419,700
Total	-\$5,930,300

3. Modify the Governor's recommendation by providing \$6,000,000 in general obligation bond authority for the harbor assistance program, a reduction of \$13,050,000 from the amount provided in the bill. Increase funding by \$22,500 SEG in 2009-10 and \$175,800 SEG in 2010-11 to reflect estimated debt service on these bonds.

ALT A3	Change to Bill Funding
BR	-\$13,050,000
SEG	198,300
Total	-\$12,851,700

4. Delete provision.

ALT A4	Change to Bill Funding
BR	-\$19,050,000

B. Other Harbor Program Changes

1. Adopt one or both of the following harbor program changes:

a. Modify the Governor's recommendation to specify that in awarding harbor assistance program grants, the Department must give highest priority to projects that are directly related to freight transportation.

Pt (a) only
 b. Modify the Governor's recommendation to require the Department to submit a report to the Joint Committee on Finance by July 1, 2010, that provides the following: (a) an assessment of current and future harbor improvement needs for the next ten years, for both freight and non-freight industries; and (b) a discussion of the appropriateness of the use of state funding for harbor improvement projects with a favorable benefit-cost ratio, but where the benefits accrue primarily to a single or small number of private businesses.

2. Maintain current law.

C. Harbor Program Funding Source

The amounts shown in the alternatives under this section are based on the Governor's recommended funding level, including the debt service reestimate on the proposed bonds. If the Committee adopts alternatives #A2, #A3, or #A4, the amounts would have to be adjusted to reflect the different debt service estimates.

1. Modify the bill to convert the funding source for the harbor assistance program from the transportation fund to the general fund. Delete \$3,792,100 SEG in 2009-10 and \$5,398,100 SEG in 2010-11 and provide an equal amount of GPR to reflect this change.

ALT C1	Change to Bill Funding
SEG	- \$9,190,200
GPR	<u>9,190,200</u>
Total	\$0

2. Modify the bill to convert the funding source for the SEG appropriation for the harbor assistance program administration and grants to a GPR appropriation and create a GPR appropriation for debt service on bonds authorized in the 2009-11 biennium and beyond. Delete \$681,800 SEG in 2009-10 and \$1,168,500 SEG in 2010-11 and provide an equal amount of GPR to reflect this change.

ALT C2	Change to Bill Funding
SEG	- \$1,850,300
GPR	<u>1,850,300</u>
Total	\$0

3. Modify the bill to create a GPR appropriation for debt service on bonds authorized in the 2009-11 biennium and beyond. Delete \$71,400 SEG in 2009-10 and \$558,100 SEG in 2010-11 and provide an equal amount of GPR to reflect this change.

ALT C3	Change to Bill Funding
SEG	- \$629,500
GPR	<u>629,500</u>
Total	\$0

4. Maintain current law.

Prepared by: Jon Dyck



State of Wisconsin
2009 - 2010 LEGISLATURE

LRBb02480
EVM:.....
/PI
C Jkd
RMR

LFB:.....Dyck - Harbor assistance program (paper 774)

**FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT,
TO 2009 ASSEMBLY BILL 75**

in 5/7/09

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At the locations indicated, amend the bill as follows:

- 1. Page 450, line 15: delete "\$72,450,000" and substitute "\$66,100,000".
- 2. Page 1690, line 8: after that line insert:

^{yd}(5) HARBOR ASSISTANCE PROGRAM REPORT. No later than July 1, 2010, the department of transportation shall submit a report to the joint committee on finance that provides an assessment of current and future harbor improvement needs, for both freight and non-freight industries, for the next ten years."

(END)

STET



State of Wisconsin
2009 - 2010 LEGISLATURE

LRBb0248/P1
EVM:jld:rs

LFB:.....Dyck - Harbor assistance program (paper 774)

**FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO 2009 ASSEMBLY BILL 75**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 450, line 15: delete "\$72,450,000" and substitute "\$66,100,000".

3 **2.** Page 1690, line 8: after that line insert:

4 "(5d) HARBOR ASSISTANCE PROGRAM REPORT. No later than July 1, 2010, the
5 department of transportation shall submit a report to the joint committee on finance
6 that provides an assessment of current and future harbor improvement needs, for
7 both freight and non-freight industries, for the next 10 years."

8 (END)