

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-2096/5	Introduction Number AB-0148	
Description Changes affecting state finances in the 2010-11 fiscal year and making an appropriation		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 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		
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		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS s.20.435 (4) (b); s. 20.435 (7) (b); s. 20.865 (4) (a)		
Agency/Prepared By DOA/ David Schmiedicke (608) 266-1353	Authorized Signature Dawn Soletski (608) 266-6497	Date 5/25/2011

Fiscal Estimate Narratives

DOA 5/25/2011

LRB Number	11-2096/5	Introduction Number	AB-0148	Estimate Type	Original
Description Changes affecting state finances in the 2010-11 fiscal year and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 148 makes the following changes to state finances during fiscal year 2010-11 and the 2011-13 biennium:

1. Repeals \$29.8 million in lapse requirements included in 2011 Act 10 associated with employee compensation savings that will not be realized due to temporary restraining orders related to that legislation.
2. Reduces the 2009-11 lapse requirement included in 2007-09 Act 20 by an additional \$54 million. 2011 Act 13 reduced the lapse requirement by \$79 million to \$121 million. This bill would reduce the lapse requirement to \$67 million.
3. Transfers \$235 million by June 30, 2012 from the general fund to the injured patients and families compensation fund consistent with complying with the court order in Wisconsin Medical Society, Inc. v. Morgan. The fiscal effect of this transfer relative to the Governor's budget recommendations for the 2011-13 biennium is \$185 million due to the set-aside of \$50 million in a litigation reserve in that bill.
4. Increases the Medical Assistance appropriation by \$147 million GPR in fiscal year 2010-11 and reduces the Medical Assistance appropriation by \$170 million GPR in fiscal year 2011-12. The net savings of \$23 million GPR is due to accelerating Medicaid payments to certain providers in order to realize higher federal matching percentages that are in effect through June 30, 2011.
5. Decreases the fiscal year 2010-11 appropriation for community aids by \$3.1 million GPR to reflect anticipated savings related to contracts with Aging and Disability Resource Centers.
6. Decreases the fiscal year 2010-11 Joint Committee on Finance supplemental appropriation by \$4.6 million GPR to reflect reduced estimates of agency expenditures related to 2009 Wisconsin Act 100 (operating while intoxicated legislation).

Long-Range Fiscal Implications

A one-time transfer of revenues from the general fund to the injured patients and families compensation fund will help avoid future interest costs to the state of between \$50 million and \$70 million, depending on market conditions at the time of the transaction, if the transfer were to be funded through sale of long-term obligations.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Changes affecting state finances in the 2010-11 fiscal year and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
AB 148 reduces the general fund balance by \$193.3 million in fiscal year 2010-11 and by \$208.3 million by June 30, 2013. The bill increases revenues to the injured patients and families compensation fund by \$235 million. These amounts exclude repeal of the \$29.8 million lapse associated with 2011 Act 10 due to the temporary restraining order.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	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		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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