

### Fiscal Estimate - 2011 Session

Original     
  Updated     
  Corrected     
  Supplemental

|  |   |
|--|---|
| <b>LRB Number</b> <b>11-1726/5</b>   | <b>Introduction Number</b> <b>AB-0013 (JR1)</b>             |
| <b>Description</b><br>State finances, the Medical Assistance program, granting bonding authority, and making appropriations.   |   |
| <b>Fiscal Effect</b>   |   |
| <b>State:</b><br><input type="checkbox"/> No State Fiscal Effect<br><input type="checkbox"/> Indeterminate<br><input checked="" 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<br><input checked="" type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs  |   |
| <b>Local:</b><br><input type="checkbox"/> No Local Government Costs<br><input type="checkbox"/> Indeterminate<br>1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>5. Types of Local Government Units Affected<br><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others <u>0</u><br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |   |
| <b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b><br><input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS Multiple  |   |
| <b>Agency/Prepared By</b><br>DOA/ Kirsten Grinde (608) 266-1040  | <b>Authorized Signature</b><br>Martha Kerner (608) 266-1359 |
| <b>Date</b><br>4/1/2011  |   |

## Fiscal Estimate Narratives

DOA 4/1/2011

|  |   |                               |
|--|---|-------------------------------|
| LRB Number <b>11-1726/5</b>  | Introduction Number <b>AB-0013</b><br>(JR1) | Estimate Type <b>Original</b> |
| <b>Description</b><br>State finances, the Medical Assistance program, granting bonding authority, and making appropriations. |   |                               |

### Assumptions Used in Arriving at Fiscal Estimate

January 2011 Special Session SB 12 adjusts fiscal year 2010-11 appropriations to address immediate shortfalls. The bill increases appropriations to the Departments of Corrections (\$21.5 million) and Health Services (\$176.5 million). Temporary Assistance for Needy Families (TANF) block grant funding is allocated under the bill to fund the state's earned income credit (\$37 million PR-F / PR-S), resulting in a commensurate reduction in GPR funding for that program.

A requirement of the Department of Administration Secretary to lapse \$200 million in the 2009-11 biennium is reduced by \$79 million under the bill. Additional bonding authority is authorized in the bill to allow restructuring of principal payments on outstanding general obligation bonds.

### Long-Range Fiscal Implications

Restructuring of principal payments on general obligation bonds will increase debt service costs by \$7.4 million in FY12 and \$22.1 million in FY13 through FY21.

**Fiscal Year 2010-11 Fiscal Effect**

|  | GPR Increase           | GPR Decrease           | Total GPR             | SEG Increase         | PR Increase           | All Funds              |
|--|------------------------|------------------------|-----------------------|----------------------|-----------------------|------------------------|
| <b>Departmental Revenues</b>                 |                        |                        |                       |                      |                       |                        |
| Tribal Gaming                                |                        |                        |                       |                      |                       |                        |
| Other  |                        |                        |                       |                      |                       |                        |
| Reduce 2007 Act 20 Lapse                     | (\$79,000,000)         |                        | (\$79,000,000)        |                      |                       | (\$79,000,000)         |
| <b>Total Available</b>                       | <b>(\$79,000,000)</b>  | <b>\$0</b>             | <b>(\$79,000,000)</b> | <b>\$0</b>           | <b>\$0</b>            | <b>(\$79,000,000)</b>  |
| <b>Expenditures</b>                          |                        |                        |                       |                      |                       |                        |
| Gross Appropriations                         |                        |                        |                       |                      |                       |                        |
| Department of Corrections                    | \$19,537,900           |                        | \$19,537,900          |                      |                       | \$19,537,900           |
| Medicaid Appropriation Changes               | \$142,200,000          |                        | \$142,200,000         | \$6,700,000          |                       | \$148,900,000          |
| Medicaid Administration                      | \$21,000,000           |                        | \$21,000,000          |                      |                       | \$21,000,000           |
| Income Maintenance                           | \$6,500,000            |                        | \$6,500,000           |                      |                       | \$6,500,000            |
| Medicaid-Milwaukee Indigent Care             | \$6,800,000            |                        | \$6,800,000           |                      |                       | \$6,800,000            |
| EITC - Increased TANF                        |                        | (\$37,000,000)         | (\$37,000,000)        |                      | \$37,000,000          | \$0                    |
| Less Estimated Lapses                        |                        |                        |                       |                      |                       |                        |
| Reduce DOC Fuel/Utilities Lapse              | \$2,000,000            |                        | \$2,000,000           |                      |                       | \$2,000,000            |
| Debt Service Restructuring                   |                        | (\$165,000,000)        | (\$165,000,000)       |                      |                       | (\$165,000,000)        |
| <b>Total Expenditures/Net Appropriations</b> | <b>\$198,037,900</b>   | <b>(\$202,000,000)</b> | <b>(\$3,962,100)</b>  | <b>\$6,700,000</b>   | <b>\$37,000,000</b>   | <b>\$39,737,900</b>    |
| <b>Balance</b>                               | <b>(\$277,037,900)</b> | <b>\$202,000,000</b>   | <b>(\$75,037,900)</b> | <b>(\$6,700,000)</b> | <b>(\$37,000,000)</b> | <b>(\$118,737,900)</b> |

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

|  |   |  |
|--|---|--|
| <b>LRB Number</b> 11-1726/5  | <b>Introduction Number</b> AB-0013<br>(JR1) |  |
| <b>Description</b><br>State finances, the Medical Assistance program, granting bonding authority, and making appropriations.   |   |  |
| <b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  |   |  |
| Net fiscal year 2010-11 GPR appropriations are decreased by \$4.0 million. GPR-Earned in fiscal year 2010-11 is reduced by \$79 million. Under the bill, the estimated gross general fund balance is estimated to be \$83.8 million on June 30, 2011. Federal appropriations are increased by \$37 million in fiscal year 2010-11. Segregated fund appropriations are increased by \$6.7 million in fiscal year 2010-11. State health insurance premium costs will be reduced by \$28 million between July 1, 2011, and December 31, 2011. |   |  |
| <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   | 22,100,000                                  |  |
| Local Assistance   |   |  |
| Aids to Individuals or Organizations   |   |  |
| <b>TOTAL State Costs by Category</b>   | <b>\$22,100,000</b>                         | <b>\$</b>                                      |
| <b>B. State Costs by Source of Funds</b>   |   |  |
| GPR  | 22,100,000                                  |  |
| 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  |   |  |
| PRO/PRS  |   |  |
| SEG/SEG-S  |   |  |
| <b>TOTAL State Revenues</b>  | <b>\$</b>                                   | <b>\$</b>                                      |
| <b>NET ANNUALIZED FISCAL IMPACT</b>  |   |  |
|  | <u>State</u>                                | <u>Local</u>                                   |
| NET CHANGE IN COSTS  | \$22,100,000                                | \$   |
| NET CHANGE IN REVENUE  | \$  | \$   |
|  |   |  |

| <b>Agency/Prepared By</b>          | <b>Authorized Signature</b>  | <b>Date</b> |
|------------------------------------|------------------------------|-------------|
| DOA/ Kirsten Grinde (608) 266-1040 | Martha Kerner (608) 266-1359 | 4/1/2011    |