

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-5808/1	Introduction Number AB-1027
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Description
 disaster assistance payments and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<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"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> 0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
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	

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	20.465(3)(a); 20.465(3)(s)

Agency/Prepared By DMA/ Anna Oehler (608) 242-3155	Authorized Signature Anna Oehler (608) 242-3155	Date 3/30/2020
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Fiscal Estimate Narratives
DMA 3/30/2020

LRB Number	19-5808/1	Introduction Number	AB-1027	Estimate Type	Original
Description disaster assistance payments and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill reduces recipient match requirements from thirty percent to twenty-five percent of a disaster assistance grant awarded by the Division of Emergency Management (WEM) in the Department of Military Affairs (DMA). Additionally, the bill authorizes disaster assistance payments to be made for costs incurred for approved hazard mitigation measures after a disaster and expands eligibility for disaster assistance payments to emergency and permanent work categories A through G, as designated by the Federal Emergency Management Agency (FEMA). Finally, the bill provides \$2.5 million per fiscal year to make and administer disaster assistance payments and provides non-statutory position authority of 3.0 FTE in General Purpose Revenue funding and makes an appropriation.

In the past several years, WEM expended the following in disaster assistance payments under 20.465(3)(s), with a local match rate of 30%.

State Disaster Payment by State Fiscal Year
SFY2017: \$364,900
SFY2018: \$1,405,100
SFY2019: \$2,765,700
SFY2020: \$963,567 (as of March 26, 2020)

Assumptions:

The local match is reduced to 25% from 30%.

The added program scope of hazard mitigation measures to the disaster assistance payments is anticipated to increase the fiscal need by approximately 15% annually of state disaster assistance payments.

Currently, the disaster assistance payments cover only FEMA designated Categories A, B and C. The expanded eligible categories, to also include FEMA Categories D through G, will increase the fiscal needs. The total SFY2020 damage assessments with FEMA categories A-G was \$6,469,939 as of March 1, 2020.

Total estimated need for pending state disaster assistance applications in SFY2020 is \$3,820,061 + 573,009 = \$4,393,070.

The expenditures paid in SFY2019 with damage assessments totaling \$6.2 million compared with the estimated damage assessments of \$6.4 million for SFY2020, and applying the changes included within this bill, the total funding need in SFY2019 would have been \$5,354,208.

Budget:

The operating budget for the Wisconsin Disaster Fund in SFY2020 (as increased through a s. 13.10 in January 2020 (\$1.6 million) and through 2019 Act 9 (\$1 million)) is \$3,354,952 in s. 20.465(3)(s). The current budget balance is \$2,391,385.

In SFY2020, the \$2,391,385 in 20.465(3)(s) available plus the bill increases funds available by \$2.5 million in 20.465(3)(b) for a total budget of \$4,891,385; however, this includes the \$1 million earmark to for Washington Island which has not yet been paid. It is anticipated that the increase in budget authority is estimated to be sufficient to cover the bill requirements for SFY2020; however, it may not be sufficient in future biennia due to the increased budget authority received in the 19-21 biennium.

Base budget funding in 20.465(3)(s) is \$711,200. With the increased \$2.5 million in 20.465(3)(b), the budget authority for state disaster assistance would be \$3,211,200. Using SFY2019 as a comparison year, future years may have additional needs of about \$2.1 million.

The fiscal effects of the bill are difficult for the Department to estimate with a high level of certainty. It is unknown exactly how many participants will apply for a disaster assistance payment for the added hazard mitigation measures or the added FEMA categories or what state fiscal year payment will be made to applicants. Additionally, with the expanded eligibility it is difficult to determine if 3.0 FTE will be sufficient to meet the needs of the applicants, process applications, review documentation and process payment efficiently.

Long-Range Fiscal Implications

Calculations for 2019 SB901: LRB#19-5597/1 and 2019 AB1027: LRB# 19-5808/1.

As of March 1, 2020

State Fiscal Year	Damage Assessment Amounts (FEMA Categories A-G)	State Expenditure at 75% of Application	Hazard Mitigation Payment Estimate (15% increase to state expenditure)	Total Need
SFY2019	\$6,207,777	\$4,655,833	\$698,375	\$5,354,208
SFY2020*	\$6,469,939	\$4,852,454	\$727,868	\$5,580,322

Calc: 75% of damage assessment 15% of state exp. state exp+hm

Budget	
\$ 711,200	ch. 20 (3)(s)
\$ 2,500,000	ch 20 (3)(b) - in bill
\$ 3,211,200	Budget Authority based on bill

As of March 26, 2020

Current Budget	\$ 3,354,952	includes 13.10 of \$1. and \$1M for WA Island
Expended	\$ 963,567	
Remaining balan	\$ 2,391,385	

Calculations for 2019 SB901: LRB#19-5597/1 and 2019 AB1027: LRB# 19-5808/1.

	Current Year through March 1, 2020	Comparison Year
	SFY2020	SFY2019
Paid Out Categories A-C	\$ 963,567	\$ 2,765,700
100% of damage assessment for Category A-C based on payments	\$ 1,376,524	\$ 3,951,000
Total damage assessment amount minus category A-C total to calculate	\$ 5,093,415	\$ 2,256,777
TOTAL Damage Assessments	\$ 6,469,939	\$ 6,207,777
75% state match for state disaster assistance	\$ 3,820,061	\$ 4,655,833
15% state match for added hazard mitigation	\$ 573,009	\$ 698,375
Estimated Need	\$ 4,393,071	\$ 5,354,208

Notes:

For SFY2020, the 75% match is only on the remaining damage assessment amounts.

For SFY2020, the 15% for Hazard Mitigation is only on remaining public assistance payments.