

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-2688/1	Introduction Number SB-178
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Description
 authorizing a biennial budget procedure for political subdivisions

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 5. Types of Local Government Units Affected
 Permissive Mandatory
 Permissive Mandatory

 Towns Village Cities
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory
 Permissive Mandatory

 Counties Others

 School Districts WTCS Districts

Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	Affected Ch. 20 Appropriations
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Agency/Prepared By DOA/ Josh Bachert (608) 261-2292	Authorized Signature Colleen Holtan (608) 266-1359	Date 5/7/2019
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Fiscal Estimate Narratives

DOA 5/7/2019

LRB Number	19-2688/1	Introduction Number	SB-178	Estimate Type	Original
Description authorizing a biennial budget procedure for political subdivisions					

Assumptions Used in Arriving at Fiscal Estimate

SB 178 authorizes governmental subdivisions, including all cities (including first class cities), villages, towns, and counties, to adopt the use of the biennial budget procedure. Under current law, political subdivisions are required to adopt an annual budget procedure.

Generally, a governmental subdivision electing to adopt an annual budget procedure would be required to follow the current law procedures regarding public hearings. Current law procedures regarding the formulation and summarization of budget information and of revenue and expenditure estimations would also be required to be followed, with the exception that the basis would be biennial rather than annual information.

A political subdivision's common council may change any appropriation or revenue amount in the second year of a biennial budget by a simple majority vote of the members-elect. As proposed, adopted biennial budget procedures shall be effective beginning in an odd-numbered year. Provisions are provided for a political subdivision which elects to return to the use of an annual budget procedure.

Under the proposed statutory language change, a political subdivision which elects to adopt a biennial budget process shall adopt a resolution or an ordinance stating its intent to adopt a biennial budget. The city is required to detail any changes between the first and second year of the biennium, and to file with the secretary or board from the department this detail with other currently-required financial and budgetary forms.

If a political subdivision, including first class city, elects to transition to a biennial budget procedure, process changes may result in the required use of one-time personnel and administrative resources for the adoption and enactment of a new resolution or ordinance.

On an ongoing basis, the format and information available for supplying estimations for a biennial vs. annual period may impact the amount of resources required for budget analysis, development, documentation and enactment within a governmental subdivision. Any potential financial impact to a political subdivision may depend upon whether or not a common council elects to vote to change any appropriation or revenue amount based upon more accurate or relevant information in the second year of a biennial budget.

Due to the non-compulsory nature of the proposed biennial budget procedure authorization, it is not possible to determine which political subdivisions will adopt biennial budgets, nor is it possible to determine the fiscal impact when a political subdivision adopts the biennial budget procedure. As such, the fiscal impact is indeterminate.

Long-Range Fiscal Implications