

**Fiscal Estimate — 2001 Session**

Original       Updated  
 Corrected       Supplemental

LRB Number - 2115/1	Amendment Number if Applicable
Bill Number AB-100	Administrative Rule Number

**Subject**

Creates a grant program for air carriers which operate hub facilities in the State, dedicates aviation related revenues to aeronautics program funding, and creates an Airport Financing Committee, appointed by the Governor, to study aeronautics funding in the State and report to the Governor and Legislature

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Increase Costs — May be possible to absorb within agency's budget.  
 Yes       No  
 Decrease Costs

Local:  No Local Government Costs

1.  Increase Costs  
 Permissive       Mandatory  
2.  Decrease Costs  
 Permissive       Mandatory  
3.  Increase Revenues  
 Permissive       Mandatory  
4.  Decrease Revenues  
 Permissive       Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties       Others  
 School Districts       WTCS Districts

**Fund Sources Affected**

GPR     FED     PRO     PRS     SEG     SEG-S

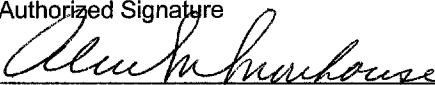
Affected Chapter 20 Appropriations  
 20.395(2)(dq), (dr), (4)(aq), (9)(rd), (td)

**Assumptions Used in Arriving at Fiscal Estimate**

1. Based on the definitions of a "hub facility" and an "air carrier company" and the grant program description in Section 6 of the draft and without benefit of the rules to be defined by DOR, Air Wisconsin would qualify for grants under the second definition of "hub facility" and Midwest Express would qualify for the grants under the first definition of "hub facility". The fact that Midwest Express would not be required to have a headquarters in this State under that definition does not change the assumption that both companies would qualify for grants.
2. Assumes only Air Wisconsin and Midwest Express will be eligible for the grants.
3. Assumes the sum of all grants awarded in a given fiscal year will be \$1,500,000 and the total will be awarded each year.
4. Assumes dedication of aviation revenues to fund the State's aeronautics assistance program is the sole source of funding for the program and no other transportation fund or other funding will be available for the program.
5. Based on FY2000 aviation revenues (\$10,919,200) and State aeronautics assistance funding (\$11,832,200).
6. Net change in costs only for the State aeronautics assistance program, there is no effect on the overall transportation fund.
7. Does not include any assumption regarding the outcome of the Airport Financing Committee.

**Long-Range Fiscal Implications**

Unless aviation revenues are increased, funding available for the State's airports will be reduced by at least \$2,413,000 each year, beginning in FY04, due to \$1,500,000 in grants to hub facility air carriers and \$913,000 lost through sub-segregation of the aeronautics program from the transportation fund.

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## Fiscal Estimate Worksheet — 2001 Session

Detailed Estimate of Annual Fiscal Effect

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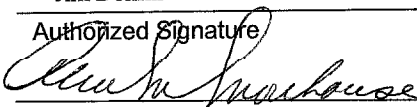
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**One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

Annualized Costs:	Annualized Fiscal Impact on State Funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations — Salaries and Fringes	\$	\$ -
(FTE Position Changes)	( FTE )	( FTE )
State Operations — Other Costs		-
Local Assistance		- 1,500,000
Aids to Individuals or Organizations	1,500,000	-
<b>Total State Costs by Category</b>	\$	\$ -
<b>B. State Costs by Source of Funds</b>		
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>State Revenues</b>	<b>Increased Revenue</b>	<b>Decreased Revenue</b>
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		- 913,000
<b>Total State Revenues</b>	\$	\$ -

**Net Annualized Fiscal Impact**

	<u>State</u>	<u>Local</u>
Net Change in Costs	\$	\$
Net Change in Revenues	\$	\$ -913,000

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