

Fiscal Estimate Narratives

DOA 02/13/2002

LRB Number	01-4866/1	Introduction Number	AB-1 (JR2)	Estimate Type	Original
Subject					
Companion bill to LRB-4695/3 - Governor's budget reform bill					

Assumptions Used in Arriving at Fiscal Estimate

Costs shown in the worksheet present changes in fiscal year 2002-03 as affected by the bill, with the exception that the shared revenue reduction is shown at the completely phased out level: -\$1,039,709,900 GPR in 2005. The budget reform bill includes a reduction of \$350,000,000 in 2002-03.

This bill addresses a projected budget gap of \$1.26 billion in the state's general fund by reducing state and local government appropriations. In addition, funds are transferred from program and segregated revenue sources into the general fund balance. The bill includes a number of initiatives intended to preserve education quality; provide services to the elderly, poor and disabled; increase public safety and security; and enhance worker training and economic development.

Major spending and revenue adjustments (in Millions) can be summarized as follows:

GPR Reductions: -\$58.3 in 2001-02 and -\$893.0 in 2002-03
Program/Segregated Lapses: \$18.1 in 2001-02 and \$18.7 in 2002-03
Medical Assistance Increases: \$37.2 in 2001-02 and \$37.2 in 2002-03

Long-Range Fiscal Implications

County and municipal general revenues are reduced by \$350 million in 2002-03 and \$1.039 billion by 2004-05 compared with current law.

With the exception of increases in local school district debt service costs above fiscal year 2001-02 levels, state support for two-thirds of local school costs is maintained.

Growth in county and municipal property tax levies for operating costs will be limited to the rate of inflation, growth in population and transfers or consolidations of services.

State spending will be reduced by \$1.1 billion by 2004-05 compared with current law.

Wisconsin tax ranking is expected to further decrease relative to other states due to avoiding state or local tax increases to address budget gaps.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$794 million from tobacco securitization used to support shared revenue payments to counties and municipalities in 2002-03 is a one-time funding source.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	-78,398,900	
(FTE Position Changes)		(-220.2 FTE)	
State Operations - Other Costs		-78,398,900	
Local Assistance		-1,070,600,500	
Aids to Individuals or Organizations	57,113,800		
TOTAL State Costs by Category	\$57,113,800	\$-1,148,999,400	
B. State Costs by Source of Funds			
GPR		-1,148,999,400	
FED	22,806,700		
PRO/PRS	11,527,600		
SEG/SEG-S	22,779,500		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes	\$	\$-33,000,000	
GPR Earned	8,000,000		
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$8,000,000	\$-33,000,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS	\$-1,091,885,600	\$	
NET CHANGE IN REVENUE	\$-25,000,000	\$	
Agency/Prepared By		Authorized Signature	Date
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