

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2946/1	Introduction Number SB-222
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Subject
 Reimbursement of cities and villages for fire calls on state highways

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input 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"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Indeterminate	

1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" 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 type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.395 (3) (eq)	

Agency/Prepared By DOT/ Richard Moss (608) 267-7830	Authorized Signature Carol Buckmaster (608) 267-6979	Date 8/29/2003
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Fiscal Estimate Narratives

DOT 8/29/2003

LRB Number	03-2946/1	Introduction Number	SB-222	Estimate Type	Original
Subject					
Reimbursement of cities and villages for fire calls on state highways					

Assumptions Used in Arriving at Fiscal Estimate

1. Cost per claim for a fire call is assumed to be \$425. This is based on the Department's experience in FY2003 when a total of \$176,543.88 was paid for 416 eligible fire call claims.
2. This bill would permit cities and villages to claim reimbursement from DOT for any type of fire department being called out, but would have no other effect on eligibility of claims (fire equipment need not actually be used, just called out for a fire call).
3. The change would increase the number of municipalities eligible to file claims, adding 141 cities and 51 villages that are not currently eligible because of the type of fire department serving the community. Under current law only 48 of the 189 Wisconsin cities and 344 of the 395 villages are eligible to file fire claims.
4. The number of claims paid is assumed to increase by 333 per year. Data are not available to establish the actual number of these claims. Each newly eligible city is assumed to file 2 eligible claims per year and each newly eligible village is assumed file 1 eligible claim per year. At the average cost per claim of \$425, that would add \$141,000 to the amount of claims paid. That represents an increase of over 80% in the cost of claims from the current claim cost of \$176,000 in FY2003. The number of new eligible claims is a conservative estimate since the newly eligible municipalities are primarily larger cities. They are likely to respond to many more fire calls on state highways, but the increase is limited as it is assumed fire calls on connecting highways would not be eligible.
5. In addition to claims paid, there are also additional costs to process claims. Assuming a nominal average cost to process a claim of \$25, the additional 333 claims per year would increase departmental costs by \$8,325.
6. Fire calls on connecting highways are assumed to not be eligible since this program establishes fire claims as a maintenance obligation of the maintaining authority. The local government has maintenance responsibility for connecting highways within that municipality and they receive connecting highway aids to cover those costs. Claims for fire calls on connecting highways are not eligible under existing law.
7. The bill provides no funding for these additional claims. The Bureau of Highway Operations would therefore have to shift funding within the funds available to operate and maintain the state highway system. This would affect other services that provide for mobility and safety on the existing highway system.

Long-Range Fiscal Implications

This bill dramatically increases the state's cost for what has traditionally been a local government service, fire protection. With the change to make all cities and villages eligible, the costs are expected to increase and there is reason to expect that there may be upward pressure on the maximum amount per claim related to full time professional fire departments providing these services. These costs will strain an already under-funded state highway operations and maintenance program.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Reimbursement of cities and villages for fire calls on state highways			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$8,325		
(FTE Position Changes)			
State Operations - Other Costs	141,525		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$149,850		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	149,850		
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	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$149,850	\$	
NET CHANGE IN REVENUE	\$	\$141,525	
Agency/Prepared By		Authorized Signature	Date
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