Fiscal Estimate - 2003 Session

☒ Original   ☐ Updated   ☐ Corrected   ☐ Supplemental

LRB Number 03-1808/1	Introduction Number **SB-1 (JR3)**

Subject

Budget Adjustment Bill Companion to 03-1722

Fiscal Effect

State:
☐ No State Fiscal Effect
☒ Indeterminate

☐ Increase Existing Appropriations
☒ Decrease Existing Appropriations
☐ Create New Appropriations

☐ Increase Existing Revenues
☒ Decrease Existing Revenues

☐ Increase Costs - May be possible to absorb within agency's budget
  ☐ Yes   ☐ No
☐ Decrease Costs

Local:
☒ No Local Government Costs
☐ Indeterminate

1. ☐ Increase Costs
   ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs
   ☐ Permissive ☐ Mandatory

3. ☐ Increase Revenue
   ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue
   ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns   ☐ Village   ☐ Cities
☐ Counties   ☐ Others
☐ School Districts   ☐ WTCS Districts

Fund Sources Affected	**Affected Ch. 20 Appropriations**
☒ GPR ☐ FED ☐ PRO ☐ PRS ☒ SEG	☐ SEGS 20.485(2)(c) 20.485(3)(s)

Agency/Prepared By	Authorized Signature	Date
DVA/ Zolonda Eubanks (608) 264-7072	John Scocos (608) 266-2256	2/11/2003

Fiscal Estimate Narratives
DVA 2/11/2003

LRB Number 03-1808/1	Introduction Number SB-1 (JR3)	Estimate Type Original
Subject		
Budget Adjustment Bill Companion to 03-1722		

Assumptions Used in Arriving at Fiscal Estimate

This bill will:

1) Lapse money from the general purpose revenue;

2) Decreases segregated fund appropriation (3)(s) and require that moneys be transferred to the general fund.

The department has a very limited GPR budget, especially non-debt service GPR funding. For purposes of this fiscal estimate, it is assumed that this proposal will decrease the departments GPR operating budget by $35,900. This lapse would reduce the department's largest GPR operations appropriation budget by 5%. The bill includes a provision that allows the agencies the option of submitting an alternative plan for allocating the reductions to other appropriations in the budget to offset the decreased costs from the general purpose revenue.

This bill also requires the department to decrease the Mortgage Loan Repayment Fund (MLRF) operations appropriation by $223,800 and requires a transfer an equivalently amount of revenue from the MLRF to the General Fund. The assumption of less than five months left in the current fiscal year and a 5 % reduction in the operating budget would reduce benefits and the level of services that veterans will receive.

In the bill section 2(b) states: the secretary of administration may not lapse or transfer money to the general fund from any appropriation that would violate a condition imposed by the federal government on the expenditure of the money or if the lapse would violate the federal or state constitution. The funds in the primary mortgage loan repayment fund consist generally of direct bond proceeds, repayments on mortgages, and investment earnings on proceeds. The great majority of these funds was generated as a result of the issuance of tax-exempt qualified veterans' mortgage bonds under authority of 26 USC sec. 143. Under federal tax law provision, "proceeds" generally includes direct bond proceeds, repayments on mortgages, and investment earnings. Further, the provision limits the expenditure of proceeds to making loans to qualified veterans and other narrowly defined purposes. There is no clear authority to transfer proceeds to the general fund of the state issuing tax-exempt bonds.

In light of the prohibition contained in section 9260 (3)(b) of Senate Bill 1, it is essential that an opinion be secured from bond counsel to evaluate whether the proposed transfer to the general fund would violate 26 USC sec.143.

Long-Range Fiscal Implications

Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original   ☐ Updated   ☐ Corrected   ☐ Supplemental

LRB Number 03-1808/1	Introduction Number SB-1 (JR3)

Subject

Budget Adjustment Bill Companion to 03-1722

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

One-time budget lapses of $35,900 GPR and $223,800 SEG from Fund 583. This bill also requires a one-time transfer of $223,800 in revenues from Fund 583 to the General Fund.

II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	$	
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	$	$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		

III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)

	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	$	$
NET CHANGE IN REVENUE	$	$

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