

Fiscal Estimate Narratives

DOT 3/14/2003

LRB Number	03-0663/2	Introduction Number	SB-46	Estimate Type	Original
Subject					
Highway and bridge designations					

Assumptions Used in Arriving at Fiscal Estimate

All signs are Type II (plywood on 4x6 wood posts. A sign, post, installation, and fleet/auxillary equipment charges are \$350 per installed sign. Signs are placed at the beginning and ending of routes and after larger municipalities. Therefore:

1. 84.1026 6 signs with installation: \$2100
2. 84.1027 8 signs with installation: \$2800
3. 84.1028 1 sign with installation: \$ 350
4. 84.1029 1 sign with installation: \$ 350
5. 84.1031 4 signs with installation: \$1400
6. 84.1034 4 signs with installation: \$1400
7. 84.1036 2 signs with installation: \$ 700

Total initial cost is therefore \$9100. There is a 10% overhead cost per year to deal with signs that are knocked down, vandalized, or damaged by weather. This would also include administrative costs to deal with the signs. Assuming a 3% inflation rate for construction/maintenance, these costs would be \$937 by the end of the first year to \$1380 in the tenth year.

Due to funding cutbacks, it is not possible to absorb the costs for the signs and installation within the existing budget.

Long-Range Fiscal Implications

With normal wear, signs must be replaced every 10 years. If it is assumed that the inflation rate for construction/maintenance averages 3% per year, the cost to replace the signs at that time will be \$13,770. In addition, if this naming of highways and bridges encourages further similar legislation, the cost implications would go far beyond this long-range fiscal estimate.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Highway and bridge designations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
It will cost \$9100 for the 26 required signs and their installation.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$187	
	(FTE Position Changes)		
	State Operations - Other Costs	750	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$937	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S (937)	937	
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	\$937	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By			
DOT/ Richard Moss (608) 267-7830		Authorized Signature	
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			Date
			3/13/2003