

Fiscal Estimate Narratives

DOT 2/28/2008

LRB Number	07-3647/1	Introduction Number	AB-0833	Estimate Type	Original
Description Creating a winter highway maintenance grant program in the Department of Transportation, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

1. The new "Snowy Day Fund" program would require one-time implementation costs to develop the emergency administrative rule. Current staff would not be able to absorb the workload. This one-time cost is estimated at \$16,300 (salary and fringe).
2. The program would require application and reporting process, data collection and audit mechanism, and would require a computer system to process weather events by region, receive grant applications and calculate payments by eligible community. The bill provides no funding for these start-up costs. The bill provides no funding for these start-up costs. The Division of Transportation Investment Management (DTIM) would have to shift funding away from other programs affecting local transportation programs to implement this program. The one-time cost to build this system is estimated at \$233,250 (2,340 man hours for 1 project leader and developer, 650 man hours for data analyst and 120 man hours for infrastructure support staff).
3. In addition to one-time computer system start-up costs, ongoing system maintenance costs would be incurred. The bill provides no funding for these ongoing administrative costs. The department would have to shift funding away from other tasks supporting transportation programs to provide this service. Annual ongoing ITS operational costs are estimated at \$12,350 (\$3,650 for CPU charges + \$1,200 for help desk staff + \$1,500 for infrastructure support + \$6,000 for maintenance development work).
4. Current staff would not be able to absorb the workload created as a result of this bill. If this program was to continue, there would be a need for one additional, seasonal (6 months out of the year) full-time staff member to manage the program. The bill provides no funding for this position. The department estimates that this bill would result in ongoing increased staff costs (salary and fringe) of approximately \$32,600.
5. The number of communities applying for grants under this program is uncertain. There are 1,923 local units of government in the state. If many areas of the state are affected by above average winter weather, as expected for the current winter, many communities could be eligible for funds. There is only \$500,000 appropriated in 2007-2008 for the program, so funding to each eligible community could be very marginal compared with their actual winter highway maintenance costs.
6. Transportation fund revenues appear to be fully expended. The February 13, 2008, revenue projection by the Legislative Fiscal Bureau to the Joint Committee on Finance estimates a transportation fund "biennium-ending deficit of as much as \$25 million to \$40 million." It is unclear whether sufficient SEG funds are available to be appropriated under this bill.

Long-Range Fiscal Implications

Indeterminate. The bill provides funds for FY 2007-08 only; it is uncertain whether additional funding might be provided in future bienna. While this bill will draw \$500,000 from the transportation fund over the short term, the future impact of this bill on the balance in the transportation fund and the redistribution effect on other programs, including General Transportation Aids, as a result of appropriating monies from the transportation fund cannot be estimated.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Creating a winter highway maintenance grant program in the Department of Transportation, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): COSTS - Implementation costs to develop the emergency administrative rule are estimated at \$16,300. One-time costs to develop computer application and reporting process, data collection mechanism, and build a computer system to process weather events by region and calculate payments by eligible community are estimated at \$233,250. REVENUES - The bill creates a SEG C appropriation in the amount of \$500,000 in FY 2007-2008.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$44,950	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$44,950	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	44,950	
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	\$44,950	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date

DOT/ Lori Richter (608) 266-0254

Julie Johnson (608) 267-3703

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