

### Fiscal Estimate - 2011 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>11-0605/1</b>	<b>Introduction Number</b> <b>SB-503</b>	
<b>Description</b> Preparing the executive budget bill or bills according to generally accepted accounting principles; prohibiting the executive budget bill or bills from increasing the state's budget deficit; and requiring legislation to reduce the state's budget deficit		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs                  3. <input type="checkbox"/> Increase Revenue                  5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs                  4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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**Fiscal Estimate Narratives**  
**DOA 2/29/2012**

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**Assumptions Used in Arriving at Fiscal Estimate**

Senate Bill (SB) 503 would require that after the fiscal year in which the Department of Administration (DOA) determines that the state does not have a budget deficit under Generally Accepted Accounting Principles (GAAP), the biennial budget bill must be prepared according to GAAP. It also requires that no biennial budget bill may increase the state's budget deficit according to GAAP as reported in any audited financial report prepared by the department. Finally, it directs the Legislature, in any year where the state has a budget deficit according to GAAP, the legislature must pass legislation to reduce the deficit by \$100,000,000 or the amount of the deficit whichever is less.

The Department of Administration anticipates that there will be a cost to implement a state budget with no GAAP deficit but cannot quantify the cost at this time.

It is also anticipated that a state budget without a GAAP deficit could impact the level of funding to local governments but that impact cannot be quantified.

**Long-Range Fiscal Implications**

Indeterminate.