

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-4165/1	Introduction Number SB-548
Description Revenue limit for energy efficiency projects	
Fiscal Effect	
State:	
<input checked="" type="checkbox"/> No State Fiscal Effect <input 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	
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
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Date	
3/12/2012	

Fiscal Estimate Narratives

DOR 3/12/2012

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Assumptions Used in Arriving at Fiscal Estimate

Under current law, school districts operate under a revenue limit under which the per pupil revenue available to a district from general state aid and property taxes in a given school year may not exceed a certain amount (which can vary from district to district, depending on historic enrollment and per pupil spending levels).

Revenues to fund certain expenditures are not subject to the revenue limit. Beginning in the 2009/10 school year, if a school board adopts a resolution to do so, the revenue limit for a given year is increased by the amount expended in that year for implementing energy efficient measures or purchasing energy efficient products. The amount expended includes the payment of debt service on bonds or notes issued to finance energy efficiency projects as long as the bonds or notes have a term that does not exceed 20 years. If a school district does not fully spend the amount it claimed on its revenue limit worksheet for energy efficiency measures, the unused amount must be deducted when calculating the following year's revenue limit.

A provision of 2011 Wisconsin Act 32 required that energy efficiency projects must be governed by a "performance contract" with a "qualified provider" to qualify for the exception from the revenue limit. A "performance contract" is a contract for evaluating, recommending, and implementing one or more energy conservation and facility improvement measures. A "qualified provider" is a person with experience in designing, implementing, and installing energy conservation and facility improvement measures, and who can provide labor and material payment and performance bonds equal to the maximum amount of any payments due under a performance contract entered into by the person.

This bill eliminates the requirement that energy efficiency projects be governed by a performance contract.

Based on data from the revenue limit worksheets filed by school districts with DPI (using data from the worksheets as filed in the fall of each calendar year), the net increase in the revenue limit due to the energy efficiency exception was about \$4.95 million in the 2009/10 school year, \$6.42 million in the 2010/11 school year, and \$8.02 million in the 2011/12 school year. The elimination of the requirement that energy efficiency projects be governed by a performance contract is expected to have minimal effect on both school district expenditures related to energy efficiency projects and the revenue limit otherwise applicable to school districts.

Long-Range Fiscal Implications