

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

LRB # -1052/1

INTRODUCTION # AB 1

Admin. Rule #

Subject

Limitations on state appropriations from general purpose revenue.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Decrease Costs

Local: No local government costs

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

- 3. Increase Revenues
 - Permissive
 - Mandatory
- 4. Decrease Revenues
 - Permissive
 - Mandatory

5. Types of Local Governmental Units Affected:

- Towns
- Villages
- Cities
- Counties
- Others _____
- School Districts
- WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

This bill amends 16.46 (2) and creates 13.40 of the statutes to limit the aggregate amount of general purpose revenue (GPR) that may be appropriated in any fiscal biennium, beginning in the 2003-2005 biennium.

Assumptions

"Base year amounts" is assumed to include any GPR transfers that are made in that year, such as the \$23.5 million transfer to the Tobacco Control Fund. This is important because fund transfers are technically not an appropriations per se yet they can be significant spending items that need to be reflected in the establishment of any spending base. If this is not the case, the bill should be amended to include transfers.

Fiscal Impact

The bill will result in minimal additional administrative costs for the State Budget Office. However, the bill will limit GPR appropriations increases to an undetermined, lower level than state revenue growth might otherwise enable. This will make budget decision-making more challenging because it will limit flexibility and reduce available resources.

Certain technical concerns make it difficult to develop a more specific fiscal impact.

Administrative Impact

This bill will make state budgeting more difficult mechanically by requiring additional calculations to be made before the amount of spending can be determined. In addition, the deadline by which the cap must be calculated is not until December 5, the Joint Committee on Finance has until December 15 to accept the calculation, and can schedule a later meeting to determine a different calculation. This potentially means the determination of how much can be budgeted might not be made until perhaps the first week in January, making a timely budget introduction difficult.

Long-Range Fiscal Implications:

Unknown

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