



**Fiscal Estimate Narratives**

**DOT 2/20/02**

LRB Number	<b>01-4551/1</b>	Introduction Number	<b>SB-444</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Life cycle costs statements for major highway projects					

**Assumptions Used in Arriving at Fiscal Estimate**

Completion of the work needed to comply with this legislation will require an estimated 20 hours of staff time at an hourly rate of approximately \$32.50 including fringe benefits. This comes to \$650 per project. Typically, there are 3 to 5 projects per enumeration cycle, making the total cost of this requirement \$1950 to \$3250 per biennial cycle. It is also assumed there will be mainframe DP charges of \$500 per cycle to collect data on costs.

It is assumed that costs for maintenance, policing, plowing, painting and signing will be developed as statewide per mile averages for projects of this type. These averages will then be applied to the number of miles of highway involved in the enumeration.

A standard sequence of pavement and bridge rehabilitation activities will be assumed and average costs for resurfacing, deck replacements and other activities in the sequence will be used.

All costs will be estimated in constant dollars of a stated base year and will be discounted to their present value using a discount rate of 5%.

Cost estimates will be made assuming that, in the case of highway bypasses, the existing state highway will be jurisdictionally transferred to a local unit of government. The cost estimate produced will be for the state highway(s) as it is (they are) projected to exist after the improvement and all jurisdictional transfers are completed. The cost estimate will reflect the net increase or decrease in costs compared to the base case of continuing to operate the existing highway (if any) and funding necessary improvements through the State Highway Rehabilitation Program.

**Long-Range Fiscal Implications**

The impact of this legislation will be \$2450 to \$3750 per biennial enumeration cycle and will increase to reflect staff salary costs.

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number 01-4551/1</b>		<b>Introduction Number SB-444</b>	
<b>Subject</b>			
Life cycle costs statements for major highway projects			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$1,625		
(FTE Position Changes)			
State Operations - Other Costs	250		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$1,875</b>	<b>\$</b>	
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (1875)	1,875		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,875	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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