

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4674/2	Introduction Number SB-669
Description State aid to technical college districts, the technical college district property tax levy for operations, and making an appropriation	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate	
<input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues
<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input 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 checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" 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 type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.292 (1) (d)	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DOR/ Daniel Huegel (608) 266-5705	Paul Ziegler (608) 266-5773
Date	
4/4/2006	

Fiscal Estimate Narratives

DOR 4/4/2006

LRB Number	05-4674/2	Introduction Number	SB-669	Estimate Type	Original
Description State aid to technical college districts, the technical college district property tax levy for operations, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a technical college district's property tax levy for debt service is not limited, but the operating levy may not exceed 1.50 mills on the district's equalized value. Funding for the state's technical college aid program is determined in the biennial budget process.

Under the bill, for the years from 2007 to 2021, a technical college district's operating property tax levy may not exceed the tax imposed for operations and maintenance in 2006. Funding for the state's technical college aid program is also increased by \$30,230,000 annually beginning in FY08. As a result, the cumulative increase in GPR expenditures would be \$60.46 million in FY09, \$90.69 million in FY10, and annually increasing amounts in future years.

The increases in state aids for technical colleges may initially offset any loss in revenue due to the operating levy freeze. For example, based on data from the Wisconsin Technical College System Board, the total operating tax levy for 2004/05 was \$477.4 million and for 2005/06 was \$506.2 million. Thus, if the bill had been in effect for the 2006/07 tax year, the operating levy would have been \$28.8 million (\$506.2 million - \$477.4 million) lower than under current law while state aid would have been \$30.23 million higher. The Department does not have the data necessary to project the extent to which future aid increases would compensate for revenue losses due to the levy freeze. The bill's impact would be expected to vary by technical college district due to differences in state aid allocations, enrollment patterns, and property value growth.

Compared to current law, the bill would lead to reductions in the statewide average net tax rate. This would lead to reductions in collections from the state ad valorem taxes on certain utility companies. These tax reductions could be largely offset by reductions in exempt computer aid payments, amounts claimed under the property tax/rent credit on state income taxes, and payments under the Homestead Credit. The Department does not have the data to reasonably project the potential decreases in utility taxes or decreases in aid payments and tax credits this bill would engender.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description State aid to technical college districts, the technical college district property tax levy for operations, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	30,230,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$30,230,000		\$
B. State Costs by Source of Funds			
GPR	30,230,000		
FED			
PRO/PRS			
SEG/SEG-S			
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	\$30,230,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DOR/ Daniel Huegel (608) 266-5705		Paul Ziegler (608) 266-5773	4/4/2006