

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-1068/1	Introduction Number SB-034	
Description 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		
Fiscal Effect		
State:		
<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		
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOA 2/19/2007

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Assumptions Used in Arriving at Fiscal Estimate

SB-34 has three major components. First, in any fiscal year the state has a GAAP deficit, the legislature would be required to pass legislation that would reduce the deficit by the lesser of \$100,000,000 or the entire amount of the deficit. Secondly, in the first biennium after the state has no reported GAAP deficit, the biennial budget bill would have to be prepared according to GAAP. Lastly, it states that no Executive budget bill could be submitted that would increase the GAAP deficit.

If enacted, there would be a reduction in interest expense to the General Fund at the (then) current interest rate times the reduction in expenditure. There could also be increased personnel costs for accounting services, if all current accounting and budgeting methods (cash and modified accrual) had to be transferred to a GAAP format.

Local Fiscal Impact:

For local units of government that currently budget on a cash basis, there could be a fiscal impact if they were compelled to change to a GAAP budgeting basis to be consistent with state accounting methods. There could also be a fiscal effect if the state changed the timing of shared revenue and other payments to local governments.

Long-Range Fiscal Implications

Unknown.