

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05s0302/1</b>	<b>Introduction Number</b> <b>ASA1-AB754</b>
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**Description**  
 Requiring a Wisconsin Works grant recipient who is a custodial parent with an infant to attend parenting skills training and to meet with a financial and employment planner

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input checked="" type="checkbox"/> No Local Government Costs		<b>5. Types of Local Government Units Affected</b> <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
<input 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	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	391 (20.445 (3) (md), 315 (20.445 (3) (dz))

<b>Agency/Prepared By</b> DWD/ Janet Van Vleck (608) 266-6722	<b>Authorized Signature</b> JoAnna Richard (608) 267-3200	<b>Date</b> 12/23/2005
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## Fiscal Estimate Narratives

DWD 12/23/2005

LRB Number	05s0302/1	Introduction Number	ASA1- AB754	Estimate Type	Supplemental
<b>Description</b> Requiring a Wisconsin Works grant recipient who is a custodial parent with an infant to attend parenting skills training and to meet with a financial and employment planner					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Substitute Amendment 1, to 2005 Assembly Bill 754  
Fiscal Estimate for CMC Required Participation

#### Assumptions Used in Arriving at Fiscal Estimate

- It is assumed that all costs associated with drafting policy, procedures and training to effect this bill will be absorbed by current staff.
- It is estimated that for SFY 06 estimate there will be 7400 unduplicated CMC participants.
- As in 2005, 20% or 1480 of the CMCs will have previously been in another W-2 paid placement.
- It is assumed that all of the CMCs previously in another W-2 paid placement will not be sanctioned for non-participation in parenting classes or for meeting with their Financial and Employment Planner (FEP) since they were already being compliant with W-2 requirements prior to becoming a CMC.
- 80% or 5920 will not have previously been in a W-2 paid placement.
- The average length of time of all W-2 participants in a CMC placement is just under 65 days of the 84 possible days in the 12 week CMC period.
- Assuming the 20% who were previously in a paid W-2 placement use 84 days, the remaining 80% (5920) average 60.5 days or 2 months.
- The bill requires CMC participants to attend parenting classes in the first 4 weeks or if unable to do so, in the second 4 weeks.
- In addition, the CMC participant must meet with the W-2 FEP in the final four weeks to plan to do an employability plan, arrange for child care, etc. There will be no child care costs since the CMC will either voluntarily provide their own, there will be child care on site or the child will remain with the CMC during the FEP interview.
- It is assumed that the 5920 CMCs who were not in another W-2 paid placement prior to becoming a CMC would begin receiving CMC assistance approximately one month after delivery of the child and be made eligible to receive CMC benefits for the remaining 2 months.
- It is assumed that the W-2 agency will ensure that the CMC has child care since that is a federal requirement for requiring participation.
- It is assumed that about 50% (2664) of the CMCs attending the parenting class will incur no child care costs with family taking care of the infant and 25% (1406) will be able to bring their children to their classes or the classes will have infant child care facilities on site. For those remaining 25% (1332) who need to pay for infant child care, these average cost for an infant age 4 weeks to 12 weeks is \$50 for the two hours plus any transportation time to/from the child care provider for a total cost of \$70,300.
- It is assumed that 90% (5328) of all CMCs will participate in the parenting class and 5% (296) will be excused for lack of child care or other good cause. For these 5328 the cost of participating in the parenting class is \$85,248.
- It is assumed that the cost to the W-2 agency of funding the parenting class is \$10 per participant, is two hours in length, is held on one day, and has transportation costs averaging \$6 for the CMC (50% will have babies with them) to and from the parenting class for a total cost of \$16 per participant.
- It is assumed that the remaining 5% (296) will not participate in the parenting class or not be excused due to lack of child care or other good cause. These 296 each lose their second (final) month of W-2 for the current CMC period and all future possible CMC periods. For the first CMC episode the savings for the 296 of \$673 for that remaining month is \$199,208.
- Up to 2% (6) of these 296 CMCs will have had subsequent CMC episodes but will not be eligible due to failure to participate in the parenting classes. The savings for these 6 being ineligible for repeat CMC episodes for 12 weeks is \$12,114.
- It is assumed that of the 95% (5624) who participate in the parenting class or are excused due to lack of child care 95% (5343) will meet with the Financial and Employment Planner (FEP) in their second and final CMC month. The average cost for services and administration for a W-2 participant is \$679 per month. In that these participants will be receiving a limited range of services required under this bill (many will be

returning to prior jobs), it is estimated that the cost per participant will average one-third of \$679 or \$226. The cost for these 5343 participants is \$1,207,518.

- The remaining 5% (281) who don't meet with the FEP will lose an average of two weeks of benefits or \$336.50 per 281 participants for a total savings of \$94,557.
- It is estimated that the one-time costs to program CARES to assure that these provisions are met will cost approximately \$61,100 (not included in annual costs).
- The annual maintenance cost to deal with CARES problems that arise is \$500.
- The net annual savings are \$305,789 and the net costs are \$1,358,866.
- It is assumed that the W-2 agencies cannot absorb these additional costs within the current legislatively approved level for the W-2 contracts without displacing other required activities. In addition, all funds budgeted including TANF, GPR and Segregated funds have been fully used for the W-2 contracts for this next biennium.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

To assure that CMCs are appropriately monitored and sanctioned, CARES development is needed to add the two new components, to end payments for non-participation, and to add features to assure that a CMC who does not participate in a parenting class is excluded from being a CMC in the future. It is estimated that such additions to CARES for CMCs will cost approximately \$61,100 on a one-time basis.

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		
Aids to Individuals or Organizations	1,359,866	-305,879
<b>TOTAL State Costs by Category</b>	<b>\$1,359,866</b>	<b>\$-305,879</b>

B. State Costs by Source of Funds		
GPR	1,359,866	-305,879
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		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>

NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$1,053,987	\$
NET CHANGE IN REVENUE	\$	\$

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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