

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

| | |
|-----------------------------|------------------------------------|
| LRB Number 15-0617/2 | Introduction Number AB-0386 |
|-----------------------------|------------------------------------|

Description
 Requiring verification from court orders for eligibility for public assistance programs

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 type="checkbox"/> No Local Government Costs | | 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| <input type="checkbox"/> Indeterminate | | |
| 1. <input checked="" type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | |
| <input checked="" 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 | |

| | |
|--|---------------------------------------|
| Fund Sources Affected | Affected Ch. 20 Appropriations |
| <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 20.435 4(a), 4(bm), 4(n), 4(pa) | |

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|---|---|---------------------------|
| Agency/Prepared By DHS/ Angela Waltz (608) 266-5362 | Authorized Signature Andy Forsaith (608) 266-7684 | Date 10/13/2015 |
|---|---|---------------------------|

Fiscal Estimate Narratives

DHS 10/13/2015

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|---|-----------|---------------------|---------|---------------|----------|
| LRB Number | 15-0617/2 | Introduction Number | AB-0386 | Estimate Type | Original |
| Description | | | | | |
| Requiring verification from court orders for eligibility for public assistance programs | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Under current law, eligibility rules for Medical Assistance and FoodShare do not require Income Maintenance (IM) agencies to access applicable court orders in order to verify, as a condition of eligibility, reported information regarding an applicant's relationship or arrangement with a child that is set forth in a court order. IM agencies are currently unable to access court order documents directly; however, they can access summaries of certain court ordered arrangements through a data exchange with Wisconsin's automated child support enforcement system, Kids Information Data System (KIDS), and through other data exchange systems. Currently, the Client Assistance for Reemployment and Economic Support (CARES) system, Wisconsin's public assistance eligibility system, does not allow a child to be eligible for a given benefit on more than one case during the same period of time.

This bill would create a new program eligibility verification requirement for Medical Assistance and FoodShare, applicable to individuals whose eligibility depends upon a relationship or arrangement with a child that is governed by court order. This bill would require IM agencies to access applicable court orders in order to verify, as a condition of eligibility, reported information regarding an applicant's relationship or arrangement with a child. The new verification requirement applies to information reported by an applicant regarding legal custody of a child; whether a child resides with the applicant; whether the applicant has primary responsibility for care and control of a child; and any other court-ordered relationship or arrangement with a child that impacts program eligibility.

Implementation of this new verification requirement would significantly increase IM staff workload, resulting in increased staffing costs for both the State-operated Milwaukee Enrollment Services (MilEES) agency and at county-operated IM consortia. The annual cost and positions for salary, fringe, and supplies and services for MilEES is estimated to be \$373,000 AF (\$186,500 GPR and \$186,500 FED), and 7.60 FTE (3.80 GPR and 3.80 FED). There would also be a combined annual staffing cost increase of \$930,000 AF (\$465,000 LOCAL and \$465,000 FED) for all county-operated IM consortia. These amounts are based on an estimated average time of 15 minutes per non-married parent to search and review court records per year. There are an estimated 180,000 non-married/divorced parents who receive Medicaid or FoodShare in a year who possibly would have a court record relating to child custody.

The most notable fiscal impact of this bill relates to establishing information exchanges with county courts. In order for IM agencies to access the required court order documents, it is anticipated that DHS may need to implement a new type of information system with each of Wisconsin's 72 county court systems. Given the expected variation among county automated systems, implementation costs to develop county-specific automation could equal or exceed \$2,000,000 AF (\$1,000,000 GPR and \$1,000,000 FED). Ongoing data exchanges with these systems are assumed to cost approximately \$250,000 AF (\$125,000 GPR and \$125,000 FED) annually. Further analysis is needed to develop a more precise estimate.

The State would also need to undertake a one-time development effort to enhance the CARES system, in order to accommodate this additional verification of program eligibility and interface with the new data exchanges. These development costs would total approximately \$100,000 AF (\$50,000 GPR and \$50,000 FED).

In sum, this policy includes implementation costs estimated at \$2,100,000 AF (\$1,050,000 GPR and \$1,050,000 FED). Annual ongoing costs are estimated to be \$1,553,000 AF (\$465,000 LOCAL; \$311,500 GPR; and \$776,500 FED) per year, including required funding authority for an additional 7.6 FTE staff at MilEES at a cost of \$373,000 AF (\$186,500 GPR and \$186,500 FED). This estimate assumes availability of Federal administrative funding for Medical Assistance and FoodShare, which is uncertain.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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| | | | |
|---|--------------------|--|-----------------|
| LRB Number 15-0617/2 | | Introduction Number AB-0386 | |
| Description Requiring verification from court orders for eligibility for public assistance programs | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$2,000,000 AF (\$1,000,000 GPR and \$1,000,000 FED) - Development of information exchanges with county court systems. \$100,000 AF (\$50,000 GPR and \$50,000 FED) - CARES eligibility system enhancements. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes | \$335,700 | | \$ |
| (FTE Position Changes) | (7.6 FTE) | | |
| State Operations - Other Costs | 287,300 | | |
| Local Assistance | 465,000 | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | \$1,088,000 | | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | 311,500 | | |
| FED | 776,500 | | |
| 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 | 776,500 | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| TOTAL State Revenues | \$776,500 | | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | <u>State</u> | <u>Local</u> | |
| NET CHANGE IN COSTS | \$1,088,000 | | \$465,000 |
| NET CHANGE IN REVENUE | \$776,500 | | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DHS/ Angela Waltz (608) 266-5362 | | Andy Forsaith (608) 266-7684 | 10/13/2015 |