

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2748/1	Introduction Number AB-0241
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Description
 mitigating the benefit drop-off in Wisconsin Shares

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Create New Appropriations			<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	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			
<input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			

Towns Village Cities
 Counties Others
 School Districts 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	

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Fiscal Estimate Narratives

DCF 4/20/2017

LRB Number	17-2748/1	Introduction Number	AB-0241	Estimate Type	Original
Description mitigating the benefit drop-off in Wisconsin Shares					

Assumptions Used in Arriving at Fiscal Estimate

Current law sets initial eligibility for Wisconsin Shares at 185% of the federal poverty level (FPL), with a maximum eligibility once eligible of 200% FPL. This bill keeps initial eligibility consistent with current law, at 185% of the federal poverty level. This bill allows a family to remain eligible for Shares above 200% FPL, but increases the family's required copayment amount by \$1 for each additional \$3 in income. These changes increase costs for the Wisconsin Shares program.

Several assumptions were made in this fiscal estimate. Since the FPL and copayment level are dependent on family size and number of children, an "average" family size and number of children were calculated using a snapshot of Shares families in June 2016. The average was determined to be a family of three with two children. The average issuance per family is \$704 per month. The copayment amount is from the 2016 copayment schedule.

Another assumption involves the number of people who are projected to stay on the program after crossing the 200% FPL threshold, since we do not track those cases by FPL increments beyond that point. The snapshot in June 2016 showed 734 cases over 200%. These are the number of cases assumed to remain in the program beyond 200% FPL.

Based on current behaviors in the Wisconsin Shares program, participation in the program declines from initial eligibility at 185% FPL to the maximum eligibility of 200% FPL. From analyzing the total number of cases above 200% as well as the rate of decline of cases at FPL increments leading up to 200%, this estimate uses a decline rate of 21% per 5% FPL increment up to 300% FPL. This method was used to "spread out" those 734 cases over 200%-300% (assuming that some families would get up to 300%). Using that method, it is possible to project how many families in a given month would be at each FPL increment above 200%.

This estimate looks at what the income for a family of 3 is at 200% FPL, as well as their copayment at that level. From there the income is raised by \$3 and the copayment by \$1 until the subsidy is consumed by copayment deductions. The net issuance is calculated for a one-month period. This net issuance is then compared to a model of what the issuance for same average family size and number of children would look like under current law on a monthly basis. The annualized increased cost estimate under the bill is \$1,798,600.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description mitigating the benefit drop-off in Wisconsin Shares		
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		
Aids to Individuals or Organizations	1,798,600	
TOTAL State Costs by Category	\$1,798,600	\$
B. State Costs by Source of Funds		
GPR		
FED	1,798,600	
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, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,798,600	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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		4/20/2017