

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1680/1	Introduction Number AB-0973
Description universal basic income program and making appropriations	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div>	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 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 </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 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 </div> </div>	
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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Date 3/2/2018	

Fiscal Estimate Narratives

DCF 3/2/2018

LRB Number	17-1680/1	Introduction Number	AB-0973	Estimate Type	Original
Description universal basic income program and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

The bill would create a universal basic income program to provide a cash benefit to individuals whose earned income through employment is less than the state's per capita personal income. The Departments of Health Services, Children and Families, and Administration would be required to submit federal waiver requests to use benefits paid by the federal government under the Wisconsin Works, Wisconsin Shares, FoodShare, and certain housing assistance programs for the universal basic income benefit. Federal funds for these benefit programs, as well as state funds expended for administration of the programs would be deposited in the universal basic income fund, a separate, nonlapsible trust fund created under the bill. If the requisite federal waivers are approved, funds currently expended for the state-based earned income tax credit would also be deposited into the fund.

Under the universal basic income program, an individual would receive a monthly amount equal to the state's minimum wage per hour for 40 hours per week if the individual earns equal to or less than the minimum wage. For individuals who earn more than the state minimum wage, the benefit amount would decrease with increases in earned income, until the individual earns income equal to the state's per capita personal income. An individual would be eligible for the benefit if he or she has verifiable earned income from full-time, part-time, or intermittent employment, is receiving unemployment compensation, or is unable to work due to a verified disability. Full-time students and members of the military on active duty would be ineligible for the benefit.

The fiscal effect of the bill is indeterminate. At this time, the department does not anticipate approval of waivers from federal Temporary Assistance for Needy Families (TANF) or Child Care Development Fund (CCDF) requirements to implement the provisions of the bill. The benefit structure and use of funds under the bill is significantly different from federal requirements governing TANF and CCDF, and therefore, it is unclear whether existing federal waiver authority would allow Wisconsin to implement the universal basic income program. Waivers from CCDF requirements are only allowed for special cases, and in recent years have only been granted as temporary extensions for states to implement the Child Care and Development Block Grant Act of 2014. Particularly for the use of CCDF funds, federal legislation to change the structures of the TANF and CCDF programs may be required.

Long-Range Fiscal Implications