



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1680/1
TJD&MPG:amn&kjf

2017 ASSEMBLY BILL 973

February 22, 2018 - Introduced by Representative ZEPNICK. Referred to Committee on State Affairs.

1 **AN ACT to create** 20.435 (4) (y), 20.435 (4) (yg), 25.17 (1) (xj) and 25.765 of the
2 statutes; **relating to:** universal basic income program and making
3 appropriations.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Health Services to 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 bill requires DHS and the departments of children and families and administration to submit waiver requests to the federal government to use the benefits paid by the federal government under the Wisconsin Works and Wisconsin Shares program and FoodShare, known as the food stamp program, and certain housing assistance programs for the universal basic income benefit. Those federal benefit moneys in addition to the state administrative moneys expended for Wisconsin Works, Wisconsin Shares, FoodShare, and the housing assistance programs are deposited in the universal basic income fund for the universal basic income program. Also, if the federal government approves the waivers for use of the Wisconsin Works, Wisconsin Shares, FoodShare, and housing assistance benefit moneys, money saved by eliminating the state-based earned income tax credit is also included in the moneys to pay for the universal basic income program.

The benefit under the universal basic income program is a monthly amount equal to the state's minimum wage per hour for 40 hours per week for those eligible individuals earning equal to or less than the state's minimum wage per hour for 40

ASSEMBLY BILL 973

hours per week. For individuals earning more, the benefit decreases with an increase in earned income such that an individual who earns income equal to the state's per capita personal income receives no benefit from the universal basic income program. To be eligible for the universal basic income benefit, an individual must have verifiable earned income from full-time, part-time, or intermittent employment, be receiving unemployment compensation benefits, or be unable to work due to a verified disability. Full-time students and members of the military on active duty are not eligible for the universal basic income benefit.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (4) (y) of the statutes is created to read:

2 20.435 (4) (y) *Universal basic income fund; administration.* From the
3 universal basic income fund, biennially, the amounts in the schedule for
4 administration of the universal basic income program as described in 2017
5 Wisconsin Act (this act), section 5 (1).

6 **SECTION 2.** 20.435 (4) (yg) of the statutes is created to read:

7 20.435 (4) (yg) *Universal basic income fund; benefits.* From the universal basic
8 income fund, the amounts in the schedule for paying the universal basic income
9 benefit as described in 2017 Wisconsin Act (this act), section 5 (1).

10 **SECTION 3.** 25.17 (1) (xj) of the statutes is created to read:

11 25.17 (1) (xj) Universal basic income fund (s. 25.765);

12 **SECTION 4.** 25.765 of the statutes is created to read:

13 **25.765 Universal basic income fund.** There is created a separate
14 nonlapsible trust fund designated as the universal basic income fund consisting of
15 all of the following:

16 (1) All federal moneys received as a result of waivers of federal law as described
17 in 2017 Wisconsin Act (this act), section 5 (1) (b).

ASSEMBLY BILL 973

1 **(2)** All state moneys of the department of health services and the department
2 of children and families determined to be expended for the administration of the
3 Wisconsin Works and food stamp programs under 2017 Wisconsin Act (this act),
4 section 5 (1) (b) 3.

5 **(3)** All state moneys of the department of administration determined to be
6 expended for aids to individuals under 2017 Wisconsin Act (this act), section 5 (1)
7 (b) 4.

8 **(4)** All moneys determined by the department of revenue to be saved by
9 eliminating the state-based earned income tax credit under 2017 Wisconsin Act ...
10 (this act), section 5 (1) (e).

11 **SECTION 5. Nonstatutory provisions.**

12 (1) UNIVERSAL BASIC INCOME PROGRAM.

13 (a) The department of health services shall develop a universal basic income
14 program to provide a cash benefit to individuals in this state whose earned income
15 through employment is less than the state's annual per capita personal income by
16 pooling moneys from public assistance programs.

17 (b) By January 1, 2019, subject to paragraph (c), the departments of health
18 services, children and families, and administration shall submit waiver requests of
19 federal law to convert the benefits to individuals provided by the federal government
20 and the state for the Wisconsin Works program under sections 49.141 to 49.161 of the
21 statutes, the food stamp program under section 49.79 of the statutes, and the housing
22 assistance programs under sections 16.301 to 16.315 of the statutes to a pool of
23 moneys available to pay the universal basic income benefit. The waiver requests
24 under this paragraph shall include all of the following:

ASSEMBLY BILL 973

1 1. To be eligible for the universal basic income benefit, an individual shall have
2 verifiable earned income from full-time, part-time, or intermittent employment; be
3 unable to work due to a disability as verified by the department of health services;
4 or be receiving unemployment compensation benefits under ch. 108. An eligible
5 individual may not be a full-time student or a member of the military on active duty.
6 An eligible individual shall have a verifiable annual earned income that is less than
7 the state's annual per capita personal income.

8 2. Enrollment for the universal basic income program is based on the filing of
9 an employee's withholding allowance certificate or a wage and tax statement
10 through a procedure developed by the department of health services in consultation
11 with the department of revenue. An eligible individual described under subd. 1. who
12 is not employed may enroll in the universal basic income program through a
13 department of workforce development comprehensive job center. The department of
14 health services in consultation with the department of revenue shall establish a
15 procedure to verify the income of an individual who would be eligible for the
16 universal basic income program and, if necessary, a method of reconciling through
17 the use of tax returns for an individual who is determined to exceed the eligibility
18 limit.

19 3. The department of health services and the department of children and
20 families shall determine the amount of state moneys expended in the previous fiscal
21 year for administration of the Wisconsin Works and food stamp programs and shall
22 allocate all of the state moneys expended for administration to be used for the
23 universal basic income program.

24 4. The department of administration shall determine the amount of state
25 moneys expended in the previous fiscal year in aids to individuals under sections

ASSEMBLY BILL 973

1 16.301 to 16.315 of the statutes and shall allocate all of the state moneys expended
2 for those aids to individuals to be used for the universal basic income program.

3 5. Under the universal basic income program, the department of health
4 services shall pay a universal basic income benefit to eligible individuals such that
5 an eligible individual receives one of the following:

6 a. For an eligible individual who earns per month an amount that is less than
7 than the state's minimum wage per hour for 40 hours per week, a monthly benefit
8 equal to the state's minimum wage per hour for 40 hours per week.

9 b. For an eligible individual who earns per month an amount equal to or more
10 than the state's minimum wage per hour for 40 hours per week, a benefit amount
11 beginning at the amount under subdivision 5. a. and decreasing with an increase in
12 an individual's earned income until the individual's annual earned income is equal
13 to the state's annual per capita personal income, at which point the individual
14 receives no benefit from the universal basic income program.

15 6. The department of health services in collaboration with the department of
16 revenue shall obtain information to make calculations of the state's per capita
17 personal income and shall calculate the amount of the universal basic income benefit
18 in accordance with subdivision 5. The department of health services and department
19 of revenue shall update the calculations quarterly.

20 7. The department of health services shall pay the universal basic income
21 benefit to an eligible individual by direct deposit into an eligible individual's
22 checking or savings account at a bank or credit union.

23 8. The department of health services shall make every effort in creating the
24 universal basic income program to ensure that the payment of the benefit will not
25 decrease benefits under or effect eligibility for the federal social security disability

ASSEMBLY BILL 973

1 insurance program for those individuals who are eligible for the federal social
2 security disability insurance program.

3 (c) The department of health services shall determine whether to provide
4 benefits for individuals who are elderly, blind, or disabled through the program
5 under section 49.79 of the statutes or through a new state-based program to provide
6 food benefits to those individuals. The department of health services shall
7 incorporate the determination under this paragraph into the waiver request under
8 paragraph (b).

9 (d) If the federal government approves the waivers requested under paragraph
10 (b), each department shall include in its 2021-23 biennial budget request any
11 proposed statutory changes necessary to conform the statutes to the approved waiver
12 and to implement the universal basic income program on the effective date of the
13 2021-23 biennial budget act.

14 (e) If the federal government approves the waivers requested under paragraph
15 (b), the department of revenue shall include in its 2021-23 biennial budget request
16 a proposal to eliminate the state-based earned income tax credit under section 71.07
17 (9e) of the statutes for the purpose of incorporating the moneys saved by not offering
18 the credit into the pool of moneys available for the universal basic income program.

19 **SECTION 6. Effective dates.** This act takes effect on the day after publication,
20 except as follows:

21 (1) UNIVERSAL BASIC INCOME FUND; APPROPRIATIONS. The treatment of sections
22 20.435 (4) (y) and (yg), 25.17 (1) (xj), and 25.765 of the statutes takes effect on July
23 1, 2021, or on the 2nd day after publication of the 2021-23 biennial budget act,
24 whichever is later.

25

(END)