

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**LRB # -2942/2**

**INTRODUCTION # AB 397**

Admin. Rule #

**Subject**  
BadgerCare for childcare workers

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  
  Yes  
  No

- Increase Existing Appropriation                       Increase Existing Revenues  
 Decrease Existing Appropriation                       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
      Permissive       Mandatory  
 2.  Decrease Costs  
      Permissive       Mandatory

3.  Increase Revenues  
      Permissive       Mandatory  
 4.  Decrease Revenues  
      Permissive       Mandatory

5. Types of Local Governmental Units Affected:
- Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       WTCS Districts

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

20.435(5)(bc)

**Assumptions Used in Arriving at Fiscal Estimate:**

The bill would increase Department expenditures for the BadgerCare program. Currently, under the program, DHFS provides subsidized health care coverage for families with incomes below 185% of the federal poverty line who meet certain criteria. "Family" is defined as at least one dependent child and his or her custodial parent or parents. The bill expands Badger Care by allowing child care workers who work at least 30 hours a week to qualify for the program, regardless of whether they have dependent children. These workers would still be subject to the program's other financial and non-financial eligibility rules.

The Department would probably be required to fund the increased cost of the program with 100% GPR. It is unlikely that the federal Health Care Administration would approve a waiver allowing Medicaid coverage for single individuals, especially in this case where only individuals belonging to a particular occupational group would be covered. The bill does change the existing BadgerCare GPR benefits appropriation to a sum sufficient.

Assuming expenditures would be funded solely from GPR, the annual cost to DHFS would be approximately \$6.3 million, comprised of both benefit and income maintenance costs. There are about 25,000 child care workers in the state. Of these, about 80% would be financially eligible for BadgerCare. Additionally, based on Family Health Survey estimates for the population earning less than 200% of the federal poverty level, 20% would be uninsured. Of these 4,000 individuals, about 20% would not meet BadgerCare's other non-financial requirements. This would leave 3,200 new individuals that would be eligible for BadgerCare under the bill. Annual costs for this group would be \$4,876,800 per year (3,200 x 12 months x \$127/month cost). In addition, it is estimated that income maintenance costs carried out by county workers will increase by \$1,396,600 (3,200 x 12 months x \$36.37/month cost). This cost will also be 100% GPR.

This provision of the bill would have no fiscal impact on the counties, under the assumption that the state would fund the additional income maintenance costs.

**Long-Range Fiscal Implications:** Because this bill changes the current BadgerCare GPR appropriation to a sum-sufficient, there will be a GPR impact to the State if BadgerCare enrollment assumptions are too low and more persons become eligible for BadgerCare than are budgeted.

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Date  
8/13/99

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

1999

**Session**

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INTRODUCTION #AB 397

**Subject**

BadgerCare for childcare workers

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

None.

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations - Other Costs	1,396,600	-
Local Assistance		-
Aids to Individuals or Organizations	4,876,800	-
<b>TOTAL State Costs by Category</b>	<b>\$ 6,273,400</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$ 6,273,400	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>State Revenues</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
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	\$6,273,400	\$0
NET CHANGE IN REVENUES	\$0	\$0

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