

## Fiscal Estimate - 2001 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-2521/1	<b>Introduction Number</b> SB-91
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**Subject**

Federal waivers to waive certain work requirements under the food stamp program

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
  - Indeterminate
    - 1.  Increase Costs
      - Permissive
      - Mandatory
    - 2.  Decrease Costs
      - Permissive
      - Mandatory
    - 3.  Increase Revenue
      - Permissive
      - Mandatory
    - 4.  Decrease Revenue
      - Permissive
      - Mandatory
5. Types of Local Government Units Affected
- Towns
  - Counties
  - School Districts
  - Village
  - Others
  - WTCS Districts
  - Cities

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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**Fiscal Estimate Narratives**

**DWD 3/29/01**

LRB Number <b>01-2521/1</b>	Introduction Number <b>SB-91</b>	Estimate Type <b>Original</b>
<b>Subject</b>		
Federal waivers to waive certain work requirements under the food stamp program		

**Assumptions Used in Arriving at Fiscal Estimate**

This bill requires the Department to request a waiver from the federal government, as allowed under federal law, to waive work requirements under the Food Stamp Employment and Training (FSET) program for individuals who live in areas that: 1) have an unemployment rate over 10% or 2) have an insufficient number of jobs to provide employment for the individuals. If the waiver is granted, this bill requires the Department to implement this waiver. Under Section 1001 of the Balanced Budget Act of 1997, the state is currently permitted to exempt up to 15% of able bodied adults without dependent children (ABAWDs) from participating in the FSET program.

The potential fiscal impact of this legislation on the Department and local governments is indeterminate. Potential increases in the FSET caseload and the length of time individuals receive food stamp benefits as a result of this bill would require additional funding for administrative costs. W-2 agencies provide FSET services as part of their W-2 allocations and W-2 agencies and counties administer the issuance of food stamp benefits with funding allocated by the state in county income maintenance contracts, which are sum certain. The amount of increased funding that would be necessary if this bill is enacted is indeterminable because it cannot be determined how much the caseload may increase and because of the uncertainty of economic factors in Wisconsin counties, which can be affected by plant closings, etc.

During 2001, Ashland, Clark, Juneau, Marquette, Price and Husk Counties have had unemployment rates over 10%. If this bill is enacted and a waiver is granted to Wisconsin by the federal government, the amount of time that an individual receives food stamp benefits could be extended in areas where the unemployment rate exceeds 10% or in areas that the department determines do not have a sufficient number of jobs to provide employment for individuals. This would result in increased federal costs for the benefits themselves, which are 100% federally funded, and would also increase the administrative costs of food stamp issuance.

As of November 2000 there were a total of 205,153 food stamp recipients in Wisconsin. A snapshot report on March 16, 2001 indicates that statewide, including Milwaukee County, 6,208 of these individuals were required to participate in FSET including 2,395 ABAWDs. There are an additional 124 individuals voluntarily participating in FSET activities. In Milwaukee County alone there are 3,630 individuals participating in FSET including 1,723 ABAWDs.

**Long-Range Fiscal Implications**