

Fiscal Estimate Narratives
DHFS 1/14/2008

LRB Number 07-2993/2	Introduction Number AB-0573	Estimate Type Original
Description Creating an individual income tax checkoff for the foster youth scholarship fund and making appropriations		

Assumptions Used in Arriving at Fiscal Estimate

Several Wisconsin individual income tax check-off designations exist to support programs targeting issues such as endangered resources, prostate cancer, and a veterans' trust fund. AB 573 creates a similar process for a foster youth scholarship. Residents of the state who are under 25 years of age and have lived in an out-of-home care placement under a court order for six months or more after age 15 or have lived in an out-of-home care placement for six months or more prior to age 15 and were adopted after age 15 would be eligible for the scholarship. Recipients of the scholarship could use the funds to defray the cost of tuition, fees, and expenses at an accredited institution of higher learning or private trade, correspondence, business, or technical school.

The Department currently administers a similar scholarship, the Division of Children and Family Services (DCFS) Scholarship Program, which is funded through the federal Chafee Foster Care Independence Program and is available to applicants between the ages of 18 and 21. While the Department would coordinate its management of the DCFS Scholarship Program and the foster youth scholarship, it would establish a separate application and award determination process for the foster youth scholarship.

Based on the experience of the income tax check-off designation for the Veteran's Trust Fund in tax year 2005, the Department estimates that the foster youth scholarship income tax check-off would generate \$133,500 annually. The establishment of a foster youth scholarship will create ongoing workload costs for the Department. The Department estimates that the workload costs of the foster youth scholarship should be similar to those for the existing DCFS Scholarship Program. The Department currently contracts with Marathon County to provide bookkeeping, fund management, and financial processing services for the DCFS Scholarship Program, paying the county 5 percent of the amount of scholarship funds awarded. A similar arrangement for the foster youth scholarship would cost \$6,400, reducing the annual revenue available for the scholarships within the program to \$127,100. This amount would increase the overall amount of scholarship funding available to former foster youth by 35.5 percent when combined with the DCFS Scholarship Program awards, which totaled \$358,000 in 2006. The increase in scholarship funds would require a commensurate increase in workload for Department staff to process applications, determine awards, and communicate with schools, applicants, and award recipients.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Creating an individual income tax checkoff for the foster youth scholarship fund and making appropriations			
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	6,400		
Local Assistance			
Aids to Individuals or Organizations	127,100		
TOTAL State Costs by Category	\$133,500		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	133,500		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S	133,500		
TOTAL State Revenues	\$133,500		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$133,500	\$	
NET CHANGE IN REVENUE	\$133,500	\$	
Agency/Prepared By		Authorized Signature	Date
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