

### Fiscal Estimate - 2009 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>09-4295/1</b>	Introduction Number <b>AB-0874</b>
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**Description**  
 increasing the reduction in Wisconsin Works benefits based on a positive drug test, paying the amount of the reduction to dependent children in the group, and granting rule-making authority.

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		<b>5.Types of Local Government Units Affected</b> <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
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<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> DCF/ Susan Robillard (608) 266-7357	<b>Authorized Signature</b> Robert Nikolay (608) 261-4349	<b>Date</b> 4/5/2010
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## Fiscal Estimate Narratives

DCF 4/5/2010

LRB Number	<b>09-4295/1</b>	Introduction Number	<b>AB-0874</b>	Estimate Type	<b>Original</b>
<b>Description</b> increasing the reduction in Wisconsin Works benefits based on a positive drug test, paying the amount of the reduction to dependent children in the group, and granting rule-making authority.					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, W-2 participants who are required to undergo drug testing based on previous criminal convictions who test positive for a controlled substance are required to have their W-2 benefits reduced by 15% for not fewer than 12 months. The sanctioned amount is withheld by the agency when issuing the monthly benefit check.

Between January 2009 and January 2010, there were four cases where participants received sanctions due to testing positive for a controlled substance. Based on an average monthly benefit amount of \$510, the 15% withheld equals \$76.50 per month. ( $\$76.50 \times 12 \text{ months} = \$918$  per case. ( $\$918 \times 4 \text{ cases} = \$3,672/\text{annually}$ )

AB 874 would (1) change the percent of the sanctioned amount from 15% to 50% and (2) require that the agency provide by rule how the sanctioned amount would be distributed to the dependent children in the W-2 group in the form of a protective payment or a vendor payment instead of being withheld by DCF.

The fiscal effect of this change is estimated at less than \$4,000 and could be absorbed within the agency's existing budget.

### Long-Range Fiscal Implications