

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1549/1	Introduction Number AB-0140	
Description Annual statements showing total public assistance and unemployment insurance benefits received		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <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 </div> </div>		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.505(1)(a)		
Agency/Prepared By DOA/ Kris Frederick (608) 261-2292	Authorized Signature Colleen Holtan (608) 266-1359	Date 4/3/2015

Fiscal Estimate Narratives

DOA 4/3/2015

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Description					
Annual statements showing total public assistance and unemployment insurance benefits received					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Departments of Children and Families (DCF) and Health Services (DHS) provide services, benefits, payments, or other assistance commonly known as public assistance benefits to individuals and families, and the Department of Workforce Development (DWD) provides unemployment insurance benefits to individuals. Under the proposed legislation, the Department of Administration (Department), with the assistance of DCF, DHS and DWD, would create a system that identifies each individual or family that receives public assistance benefits or unemployment insurance benefits, collectively "benefits", during a year; tabulates the total amount of benefits received by each during the year; and generates a detailed written financial statement for each showing each type of benefit received during the year, the monetary value of each type of benefit received, and the total monetary value of all benefits received. Annually, by March 31st of the year following the year in which the benefits were received, the Department would provide that financial statement to each individual or family that received benefits. Implementation of the proposed legislation would require the Department to incur one-time costs for system development and on-going costs for the production and mailing of the statements and system operation and maintenance.

The Department estimates one-time costs for the creation of a system that integrates benefits data from disparate systems within DCF, DHS and DWD; provides data validation; a central database; application infrastructure (e.g., hardware and software licenses to develop web application and integration services to pull data from each agency and generate statements for each individual or family); database infrastructure (e.g., hardware and software licenses to manage data storage); and confidential data evaluations and protection, to be approximately \$323,100. The time to develop the system is estimated to be six to eight months using approximately 2,240 hours of contract staff and 450 hours of Department full-time equivalent project management personnel.

The Department estimates ongoing system operation and maintenance costs for data validation, reporting and rules validations, as well as licenses, database and storage costs, to be approximately \$104,400 annually. The estimate assumes the use of up to 500 hours per year of contract staff.

Finally, the Department estimates printing and mailing costs of approximately \$531,400 annually for the production and mailing of an estimated 1,020,000 detailed written financial statements. DHS currently estimates that there are 1.7 million recipients of public assistance benefits. The Department discounted this figure by 40% to account for family members who may be able to receive a combined statement, yielding an estimated 1.02 million annual statements. The general set-up fee for a print & mail job is \$30, with inserting costs of \$32/thousand and file processing of \$10/thousand. The charge for one page of printing and with a standard double window envelope and postage is \$0.4789/piece, for an annual printing and mailing cost of \$531,400.

It is unclear whether any of the one-time or annual costs would be recoverable through federal programs that fund in whole or in part the benefits which are the subject of this legislation. These programs have rules regarding administrative cost allowances, so cost recovery may vary by agency and individual program rules. Consequently, the Department makes no estimate regarding the receipt of revenues related to the costs that are estimated to be incurred.

Long-Range Fiscal Implications

The Department estimates long-range costs of \$635,800 annually, which includes ongoing system operation and maintenance costs of \$104,400 and printing and mailing costs of \$531,400, as described above. The estimate does not provide for inflationary increases or decreases in costs or numbers of

detailed written financial statements required to be provided under the legislation.

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Annual statements showing total public assistance and unemployment insurance benefits received		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
<p>The Department estimates one-time costs for the creation of a system that integrates benefits data from disparate systems within DCF, DHS and DWD; provides data validation; a central database; application infrastructure; database infrastructure; and confidential data evaluations and protection, to be approximately \$323,100. The time to develop the system is estimated to be six to eight months using approximately 2,240 hours of contract staff and 450 hours of Department full-time equivalent project management personnel.</p>		
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	635,800	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$635,800	\$
B. State Costs by Source of Funds		
GPR	635,800	
FED		
PRO/PRS		
SEG/SEG-S		
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		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$635,800	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
DOA/ Kris Frederick (608) 261-2292	Colleen Holtan (608) 266-1359	4/3/2015