

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4387/1	Introduction Number AB-0851
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Description
 Making unemployed veterans eligible for the Transform Milwaukee Jobs and Transitional Jobs programs

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 type="checkbox"/> Yes <input checked="" 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		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 <u>0</u> <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	

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

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DCF 2/3/2016

LRB Number	15-4387/1	Introduction Number	AB-0851	Estimate Type	Original
Description Making unemployed veterans eligible for the Transform Milwaukee Jobs and Transitional Jobs programs					

Assumptions Used in Arriving at Fiscal Estimate

Under the Transform Milwaukee Jobs (TMJ) program and the Transitional Jobs (TJ) program, employers are paid a subsidy to employ a TMJ or TJ participant, and the employer pays the participant wages. Under current law, the TMJ program and the TJ program require that participants over age 24 are the parent or primary relative caregiver of a child under 18. In addition, a participant must have household income below 150% of the federal poverty line, be unemployed for at least four weeks, be ineligible to receive unemployment insurance benefits, not be participating in Wisconsin Works (W-2), and satisfy drug screening, testing, and treatment requirements. Under this bill, veterans who are unemployed may participate in the TMJ program and the TJ program without satisfying any other eligibility criteria.

The TMJ and TJ programs are operated pursuant to the temporary assistance for needy families (TANF) block grant requirements, and the eligibility criteria are designed to meet TANF funding requirements. If funds were expended on participants who did not meet these requirements, such as participants who are over the age of 24 who are not a biological, adoptive parent or relative and primary caregiver of a child under the age of 18, those expenditures could not be funded with TANF and would have to be funded with separate state revenues (e.g. GPR). These expenditures would not count towards the state TANF maintenance of effort (MOE) requirement.

The current average cost per TMJ participant for administrative, services and subsidy costs is \$9,000. According to the Bureau of Labor Statistics 2015 Current Population Survey, Wisconsin currently has approximately 8,000 unemployed veterans. It is unknown how many of these veterans in Milwaukee would apply to participate in the TMJ program. If 100 apply, expenditures would total \$900,000. If 400 apply, expenditures would total \$3,600,000.

It is estimated that the subsidy cost per TJ participant will be \$10,340 in urban areas, and the subsidy cost per TJ participant will be \$8,840 in rural areas. Similar to the TMJ program, if 100 veterans participate in urban areas and 100 participate in rural areas, expenditures would total \$1,918,000. If 300 veterans participate in urban areas and 300 participate in rural areas, expenditures would total \$5,754,000.

The fiscal impact would depend on how many unemployed veterans would apply to be in the TMJ and TJ programs, with the cost totaling approximately \$10,000 for each unemployed veteran participating in these programs.

Long-Range Fiscal Implications