

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4806/1	Introduction Number AB-0718	
Description fingerprinting and conducting background investigations of employees in the state civil service or of a political subdivision, and of individuals performing contractual services for the state, who have access to federal tax information		
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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" 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 1/10/2018

LRB Number	17-4806/1	Introduction Number	AB-0718	Estimate Type	Original
Description fingerprinting and conducting background investigations of employees in the state civil service or of a political subdivision, and of individuals performing contractual services for the state, who have access to federal tax information					

Assumptions Used in Arriving at Fiscal Estimate

The federal Internal Revenue Service (IRS) has issued a requirement that any individual granted access to federal tax information be required to undergo a background check for employment that includes FBI fingerprinting. Two affected areas within the Department of Children and Families are the W-2 program and the Child Support program. The W-2 program uses federal tax information to verify unearned income for all W-2 beneficiaries. Failure of a state to comply with the requirement could result in federal sanctions of over \$4.7 million annually. Within the child support program, centrally administered by the state but locally implemented by county child support agencies, failure to implement appropriate background checks could result in a loss of access to federal tax information.

The number of DCF W-2 staff involved with federal tax information is limited. However, the number of state and county workers with access to federal tax information for noncustodial parents paying child support is approximately 1,100. While the new requirement does not provide sanctions against the child support program for failure to comply, it does indicate that federal tax information would not be available to the program without compliance to the new requirement. Each year access to this information allows Wisconsin to collect \$40-\$45 million in federal tax offsets for families owed child support. Loss of this revenue would be a significant problem for families who rely on this support and could indirectly reduce the federal performance funding received by the state and county agencies for the child support program.

The cost per person of the background checks including fingerprinting is anticipated to be modest. These increased costs would be borne by DCF and by local child support agencies. It is assumed that DCF can absorb its costs within existing appropriations.

Long-Range Fiscal Implications