

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5287/1	Introduction Number SB-003 (JR8)
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Description
 asset restrictions on eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares

Fiscal Effect

State:

- | | | |
|---|--|---|
| <input type="checkbox"/> No State Fiscal Effect
<input type="checkbox"/> Indeterminate
<input type="checkbox"/> Increase Existing Appropriations
<input type="checkbox"/> Decrease Existing Appropriations
<input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues
<input type="checkbox"/> Decrease 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"/> Decrease Costs |
|---|--|---|

Local:

- | | | |
|--|--|--|
| <input type="checkbox"/> No Local Government Costs
<input type="checkbox"/> Indeterminate
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 | 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 | 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 |
|--|--|--|

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

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Fiscal Estimate Narratives

DCF 1/30/2018

LRB Number 17-5287/1	Introduction Number SB-003 (JR8)	Estimate Type Original
Description asset restrictions on eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares		

Assumptions Used in Arriving at Fiscal Estimate

The Department of Children and Families (DCF) currently administers an asset test for applicants to the Wisconsin Works (W-2) and Wisconsin Shares programs. This bill changes the criteria for this asset test for both programs, as well as FoodShare, which is administered by the Department of Health Services (DHS).

For W-2, the asset test under current law excludes vehicles up to \$10,000 in equity value and a primary homestead from the \$2,500 liquid asset limitation. Under the bill, a homestead is excluded from the calculation of liquid assets if it is valued at no more than 200 percent of the statewide median value for homes, unless the individual qualifies for a hardship exemption established by DCF by rule. In addition, any agricultural land owned by the family is excluded when calculating the value of the homestead under the bill.

For Wisconsin Shares, the asset test under current law limits liquid assets to \$25,000. Under the bill, an individual is not eligible if his or her family owns more than one home or owns a home that is used as the individual's primary residence and that is valued at more than 200 percent of the statewide median home value. Any agricultural land owned by the family is excluded when calculating the value of the primary residence. An individual is not eligible also if his or her family owns personal vehicles with a combined equity value of more than \$20,000. These restrictions only apply to new applicants. If an individual qualifies for a hardship limitation under a rule promulgated by DCF, the asset limitations established for Wisconsin Shares do not apply to that individual.

These changes to the asset test will require changes to the CARES Worker Web, the online system for processing asset tests for FoodShare, W-2 and Wisconsin Shares applicants. The IT services provider, Deloitte, estimates that these systems changes will require 10,000-20,000 hours of work to implement. The cost for this work is divided among DCF and DHS, with DCF assuming 5%-10% of the cost. Based on an hourly work rate of \$120/hour, the potential cost to DCF for these changes ranges from \$60,000-\$240,000.

Additionally, DCF will be responsible for enhancing W-2/Wisconsin Shares specific eligibility, confirmation, and correspondence processes. These internal costs are estimated to require 300 additional hours of work. Applying the hourly rate of \$82/hour renders a cost estimate of \$24,600.

Combining internal enhancements and CARES Worker Web changes, the total estimated range of costs for implementing this bill is \$84,600-\$264,600.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description
 asset restrictions on eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares

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	264,600	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$264,600	\$

B. State Costs by Source of Funds		
GPR		
FED	264,600	
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, ets.)

	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$

NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$264,600	\$
NET CHANGE IN REVENUE	\$	\$

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