

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-2511/1	Introduction Number AB-0930
Description disregarding earned income for purposes of determining eligibility for certain public assistance programs	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" 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 type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input 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	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
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	Date
	2/2/2022

Fiscal Estimate Narratives

DCF 2/2/2022

LRB Number	21-2511/1	Introduction Number	AB-0930	Estimate Type	Original
Description					
disregarding earned income for purposes of determining eligibility for certain public assistance programs					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 930 requires development of an income disregard for various public assistance programs in eligibility determination. The disregard would apply to increased income earned from employment as a result of an individual becoming employed after a period of unemployment or a documented increase in work hours or pay rate. The amount of increased income disregarded for public assistance eligibility would start at 100 percent for the first 60 days and decrease by 25 percentage points over subsequent 30-day periods until zero increased income is disregarded on day 121 and after. Any individual whose household income equals or exceeds the applicable Department of Workforce Development's self-sufficiency standard would be excluded from the increased income disregard.

The bill applies to various public assistance programs administered by the Departments of Health Services, Children and Families, and Administration, as well as the Wisconsin Housing and Economic Development Authority. Although the bill only specifies the Wisconsin Works (W-2) program, the definition of "public assistance program" as currently drafted also includes the Wisconsin Shares program under s. 49.155.

The Department of Children and Families does not anticipate a fiscal effect from the provisions of Senate Bill 882 on the W-2 program due to the current program structure. As written, Senate Bill 882 applies to employed participants in the W-2 program, which only consists of two placements - Case Management Follow-Up (CMF) and Case Management Follow-Up Plus (CMF+). Participants in paid W-2 placements (e.g., Community Service Job or CSJ) do not have an unsubsidized job and are instead learning job readiness skills and receive a monthly cash assistance benefit. Participants in the CMF and CMF+ placements already have income and assets excluded for eligibility purposes until participants leave the placement. Therefore, the income disregard created under the bill is not expected to have an impact on W-2 participation and associated costs.

As it relates to the Wisconsin Shares program, the fiscal effect of Assembly Bill 930 is indeterminate. The department expects there will be fiscal impacts to the amount of Shares subsidies paid by the state and a potentially large increase in administrative costs, but exact impacts are unknown at this time. Changes to Shares under the bill would likely result in significant implementation costs that may require additional funding. Generally, any changes to current policy affecting Shares copayment amounts and periods require extensive IT systems changes. In addition, complex programming would be required to in order to use the Department of Workforce Development's self-sufficiency standard in eligibility determinations.

Long-Range Fiscal Implications