

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-2067/1</b>	<b>Introduction Number</b> <b>AB-0121</b>	
<b>Description</b> requiring the Department of Financial Institutions to implement a section 529A ABLE savings account program and granting rule-making authority		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <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 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		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.144(1)(g)		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DFI/ Amy Moran (608) 261-2309	Amy Moran (608) 261-2309	3/27/2023

## Fiscal Estimate Narratives

DFI 3/27/2023

LRB Number	<b>23-2067/1</b>	Introduction Number	<b>AB-0121</b>	Estimate Type	<b>Original</b>
<b>Description</b> requiring the Department of Financial Institutions to implement a section 529A ABLE savings account program and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 121 requires the Department of Financial Institutions to establish a state ABLE program pursuant to section 529A of the federal Internal Revenue Code. For the reasons set forth in the DFI's Report and Recommendations on Establishing an ABLE Program for Wisconsin Residents, which was submitted to the Legislature on September 1, 2022, the DFI supports this legislation and looks forward to working to build a successful ABLE program in this state.

As explained in the report, the ABLE marketplace has evolved in recent years in ways that substantially lower the technological and financial barriers for states offering ABLE programs. Among other developments, states with ABLE programs have formed three collaborative groups (the National ABLE Alliance, the STABLE Account Partnership, and the ABLE Collaboration), in which participating states share a common third-party program manager, consultants, and investment offerings. The DFI anticipates joining one of these collaborative groups, each of which provides participating states with immediate benefits of shared expertise and programmatic scale at no cost to the participating state.

While these collaborative groups eliminate the cost and uncertainty of retaining a qualified program manager and consultants, they do not relieve participating states of the need to provide programmatic oversight and development, to educate the public and help eligible individuals in their states to take advantage of the benefits an ABLE program provides, and to address any problems that arise. In its report, the DFI found that other states with ABLE programs dedicate 0.5 to 3.0 full-time employees to these tasks.

The DFI believes that these functions can be carried out by a single, full-time qualified ABLE Officer, who would be responsible for: providing financial education resources for ABLE-eligible individuals and their families; promoting and facilitating their participation in ABLE; coordinating with public agencies and non-profit organizations serving individuals with disabilities in Wisconsin; working with counterparts in other states and the federal government to help ensure that Wisconsinites can take full advantage of the benefits that ABLE provides; responding to inquiries and resolving problems that arise; and conducting overall management, development, and oversight of the ABLE program.

As noted in the report, the Department estimates the annual cost of funding this position at \$174,960, consisting of the following: \$80,000 in salary and \$29,960 in fringe benefits for the officer; \$20,000 for travel, training, and conferences; and \$45,000 for printed materials and other expenses relating to public outreach and education.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> requiring the Department of Financial Institutions to implement a section 529A ABLE savings account program and granting rule-making authority		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>		
	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs                      Decreased Costs	
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$109,960	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	65,000	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$174,960</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS (20.144(1)(g))	174,960	
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$174,960	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
DFI/ Amy Moran (608) 261-2309		3/27/2023
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