

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-2121/1</b>	<b>Introduction Number</b> <b>SB-0244</b>	
<b>Description</b> expanding Wisconsin Works eligibility for at-risk pregnancy		
<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input checked="" 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 checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.437(2)(md)		
<b>Agency/Prepared By</b> DCF/ Sasha Williams (608) 422-6348	<b>Authorized Signature</b> Adam Hartung (608) 422-6346	<b>Date</b> 5/2/2023

## Fiscal Estimate Narratives

DCF 5/2/2023

LRB Number	23-2121/1	Introduction Number	SB-0244	Estimate Type	Original
<b>Description</b> expanding Wisconsin Works eligibility for at-risk pregnancy					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin Works (W-2) program has a paid placement available for pregnant participants in their third trimester who have been diagnosed with an at-risk pregnancy. Participants in this at-risk pregnancy placement (ARP) are eligible for a monthly benefit of \$673 per month for up to three months and are not subject to requirements of W-2 employment positions. If a participant is pregnant and identified as having an at-risk pregnancy but is not in the last trimester of pregnancy, that participant is placed in a case management pregnant women (CMP) placement until eligible for the ARP placement.

Senate Bill 244 expands eligibility for the ARP placement in W-2 by removing the limitation that a participant be in the third trimester of pregnancy. The bill also removes the requirement that the woman be unmarried for eligibility for the ARP placement.

Over the 12-month period from April 2022 to March 2023, there were 79 unduplicated W-2 participants in the ARP placement. Assuming similar participation counts if the bill was enacted, expanding an additional 6 months of benefits for existing ARP placements at the current statutory amount of \$673 would cost up to approximately \$319,000 in additional W-2 benefits annually.

In addition, it is reasonable to assume for purposes of a fiscal estimate that there will be W-2 participants currently in a CMP placement that would become eligible for the ARP paid placement upon enactment of the bill. Over the 12-month period from April 2022 to March 2023, there were 217 unduplicated W-2 participants in a CMP placement. At this time, it is indeterminate how many of this total would be identified as having an at-risk pregnancy. If similar participant counts are assumed, W-2 benefit costs could increase by as much as an additional \$1,314,400, assuming 217 unduplicated participants receive up to 9 months of benefits at the current statutory amount of \$673 per month.

Overall, total costs are estimated at approximately \$1,633,400 annually using current participant counts. To the extent changes under the bill increase the number of at-risk pregnant participants in W-2, costs may be higher than the estimated total. Wisconsin Works benefit costs are subject to funding limits under s. 49.175(1)(a), Wisconsin Statutes. Currently, DCF estimates there would be enough room in the state fiscal year 2023 allocation (\$34 million) to absorb additional benefit costs, but changes under the bill are likely not reflected in biennial budget estimates at this time. Therefore, depending on changes to participant counts, DCF may need to submit a reallocation request to the Joint Committee on Finance under s. 49.175(2)(a) for additional funding related to the bill's changes in the 2023-25 biennium.

Language in SB 244 expanding the ARP placement criteria to last longer than the last trimester of an at-risk pregnancy turns the ARP placement from a non-recurring, short-term benefit to TANF assistance for participants receiving benefits for longer than four months.

### Long-Range Fiscal Implications

The state's TANF program currently has a structural deficit, meaning ongoing expenditures exceed ongoing revenues. By adding to TANF ongoing expenditures, this bill also increases the TANF structural deficit. In order to resolve the structural deficit, the state would need to make significant reductions to ongoing expenditures or increase GPR revenue for TANF programs on an ongoing basis.