

Fiscal Estimate Narratives

DHS 10/17/2013

LRB Number	13-1949/2	Introduction Number	SB-245	Estimate Type	Original
Description Applications for public assistance programs, offenses in public assistance programs, granting rule-making authority, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation would authorize employees who accept applications for public assistance to administer an oath to the applicant to affirm the information in the public assistance application is true and correct. In addition, the bill establishes a rule making process to determine which applicants must take an oath and the standards and procedures for the administration of the oath. It should be noted that the rule-making process can be lengthy and may delay policy implementation for an extended period of time.

Dependent upon the application of the oath requirement, the Department may incur increased administrative costs. If the oath must be administered in-person and to all individuals applying for benefits, income maintenance costs would increase significantly. The Department has worked with income maintenance agencies and modified program policies to encourage applicants for public assistance programs to use efficient application methods. In-person application and renewal is the least efficient form of application; alternative methods of internet, phone, and mail applications reduce the time it takes for workers to receive and process an application. Currently, fewer than 10% of applications are submitted in person, and more than 60% of applications and renewals are submitted online. Depending on the program for which an application is submitted, an in-person application can take up to 15 minutes longer than an application submitted through other methods.

It is unclear to the Department whether an oath could legally be administered in any manner other than in-person. If the oath requirement resulted in all applicants being required to visit an income maintenance agency, the estimated annual increase in income maintenance costs would be approximately \$2,073,400 AF (\$1,036,700 GPR) and would require 9 new FTE for Milwaukee Eligibility Services (MilES). These amounts include costs that would be incurred by MilES, income maintenance consortia, and tribal income maintenance agencies. This estimate is based on the current population mix of Medicaid and FoodShare beneficiaries, estimated times for in-person versus other forms of application, and increased processing time of five minutes to administer an oath. This is the estimate of income maintenance workload impacts only. It is possible that there would be increased space costs as well, as income maintenance agencies may need to expand waiting and meeting areas to address the increase in the number of individuals coming to the office in-person. This estimate assumes that federal FoodShare and Medicaid agencies would approve the oath policy. It is expected that both federal agencies would require a waiver to implement the provisions of this bill.

In order to track and record whether an oath was administered, the Client Assistance for Re-employment and Economic Support (CARES) eligibility system would need modification. The estimated cost is \$104,000 AF (\$52,000 GPR).

The proposed legislation would also allow the Department of Justice to prosecute violations of criminal laws affecting any public assistance program. This change would allow counties that currently have insufficient resources for public assistance program prosecution an opportunity to pursue criminal offenses through the state Department of Justice. In addition, it is possible that a small number of disqualification hearings currently paid for by the Department would be diverted to the court system. These modifications are not expected to have a significant fiscal impact on the Department.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Applications for public assistance programs, offenses in public assistance programs, granting rule-making authority, and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The Client Assistance for Re-employment and Economic Support (CARES) eligibility system would require modification to record and track the administration of an oath. The estimated one-time cost is \$104,000 AF (\$52,000 GPR).			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$559,800	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance	1,513,600	
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$2,073,400	\$
B. State Costs by Source of Funds			
	GPR	1,036,700	
	FED	1,036,700	
	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	1,036,700	
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$1,036,700	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$2,073,400	\$
NET CHANGE IN REVENUE		\$1,036,700	\$
Agency/Prepared By		Authorized Signature	Date
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