

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2478/1	Introduction Number AB-0422
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Description
 creating the Hire Heroes program to provide transitional jobs to veterans and granting rule-making authority

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	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
<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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DCF/ Joe Meeker (608) 422-6348	Authorized Signature Kim Swissdorf (608) 422-6351	Date 8/3/2017
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Fiscal Estimate Narratives

DCF 8/3/2017

LRB Number	17-2478/1	Introduction Number	AB-0422	Estimate Type	Original
Description creating the Hire Heroes program to provide transitional jobs to veterans and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Workforce Development (DWD) to establish the Hire Heroes program in order to provide transitional jobs to veterans, in cooperation with the Department of Veterans Affairs (DVA) and the Department of Children and Families (DCF). Under the bill, DCF would be required to enter into a memorandum of understanding (MOU) with DWD to implement the program and requires the program to utilize the existing contractors and arrangements made by DCF to administer the Transform Milwaukee Jobs (TMJ) and Transitional Jobs (TJ) subsidized employment programs.

DCF does not anticipate the MOU will substantially increase costs, as DWD will fund and administer the Hire Heroes program. Any staff costs to coordinate with DWD to implement the program and to expand subsidized employment programs can be absorbed. Assuming that DWD administers the program using its Automated System Support for Employment and Training (ASSET) in lieu of DCF's TANF-funded Client Assistance for Re-Employment and Economic Support System (CARES), automation costs to DCF would be minimal. DCF assumes that the contracting process would comply with state and federal laws, rules, and regulations and that DWD would incur any costs related to utilizing existing contracts.

The bill also requires applicants to satisfy all of the requirements related to substance abuse screening, testing, and treatment under Wis. Stat § 49.162, which specifies that the "administering agency" for the drug testing requirements is DCF or its contractor. DCF would need to amend its drug testing administrative rule to include the Hire Heroes program as one of the programs for which participants will be drug tested by DCF. Costs for staff time to amend the rule could be absorbed.

Current state law directs that DCF's drug testing and treatment costs appropriation would pay costs under s. 49.162. The bill adds the Hire Heroes program to 49.162. Under s. 49.162, this appropriation is used to pay treatment costs for individuals not otherwise covered by medical assistance, private insurance, or another type of coverage. Some Hire Heroes participants may have some other type of coverage specifically for veterans that may pay treatment costs. If DCF were responsible for covering drug screening, testing, and treatment costs for Hire Heroes participants, but treatment costs were covered by another type of coverage, costs would be limited to screening and testing. Testing costs can vary, but the average cost is \$25 per test.

The bill requires DWD to commit up to \$400,000 in each fiscal year. The average cost of TMJ/TJ participant is approximately \$10,000. It is assumed that the Hire Heroes program would serve 40 veterans annually. Therefore, testing costs could total up to \$1,000 annually. If participants do not have some other type of medical coverage, if participants require treatment, and if DCF is responsible for treatment costs, the fiscal effect would increase substantially.

Long-Range Fiscal Implications