

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: **06/23/99**

Received By: **yacketa**

Wanted: **As time permits**

Identical to LRB:

For: **Senate Democratic Caucus 6-2257**

By/Representing: **Walter**

This file may be shown to any legislator: **NO**

Drafter: **yacketa**

May Contact:

Alt. Drafters:

Subject: **Public Assistance - Wis works**

Extra Copies:

**Pre Topic:**

SDC:.....Walter - #3305,

**Topic:**

W-2 contract allocations and process

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	yacketa 06/28/99	jgeller 06/29/99	hhagen 06/29/99	_____	lrb_docadmin 06/29/99		
/2	yacketa 06/29/99	wjackson 06/29/99 jgeller 06/29/99	ismith 06/29/99	_____	lrb_docadmin 06/29/99		
/3			kfollet 06/29/99	_____	lrb_docadmin 06/29/99		

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FE Sent For:

1/3 6/29 jlg Kjf 6/29 Kjf/km 6/29  
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/1	yacketa 06/28/99	ygeller 06/29/99	hhagen 06/29/99	_____	lrb_docadmin 06/29/99		
		1/2 WLj 6/29	IS 6/29	JEO/MGD 6/29			
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/?	yacketa	1 6/29 jlg		<del>1/25</del>			
				MGG: ISR 6/29			

FE Sent For:

<END>

SDC

caucus number 3305

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
FM 496	
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Adopt FM 496 re: W-2 Contract Allocations and Contracting Process.

**other notes**

drafting instructions: Include FM 496. See above.

more instructions:

caucus number 3308

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Eliminate wage lien language included in last session's budget adjustment bill. Restore the priority given to wage claim liens under WI law before last budget adjustment bill. See attached.

**other notes**

drafting instructions: See above and attached.

more instructions:

caucus number 3615

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Food Stamp Waiver. DWD to request waiver from fed gov't to waive work requirements under the Food Stamp Employment and Training Program for anyone living in areas w/ 1) unemployment rate over 10% or 2) insufficient # of jobs to provide employment.

**other notes**

drafting instructions: See above and attached.

more instructions:

caucus number 3616

duplicate flag: y  
duplicate with: 2779

Other reference numbers:	LFB Sum #:
FM 903	
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: FM 903. Technical College Education Program for W-2 Participants.

**other notes**

drafting instructions: FM 903. See above.

more instructions:

CN 3305

+

**# 5 - PRIORITY BUDGET MOTION** [REDACTED]

**Motion: Adopt Albers JFC Motion #496, relating to the W-2 Contract Allocations and Contracting Process. (No fiscal impact)**

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**Background: Right of First Selection Motion**

**This motion would allow counties that did not meet the right of first selection criteria for the next W-2 agency contracts to administer the W-2 program for one additional year, from January 1, 2000 through December 31, 2000.**

**This motion would also require DWD to develop specific performance criteria that would be used as the right of first selection criteria for the W-2 agency contracts. These criteria would be subject to review by the Joint Committee on Finance.**

**It would also require DWD to submit proposed rules by December 1, 1999 regarding the liability of W-2 agencies when a significant economic downturn results in an inability to serve participants, and no funding is available for the agency.**

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

W-2 Contract Allocations and Contracting Process  
[Paper #1083]

Motion:

Move all of the following:

*get K + submit  
plan by aug-17*

a. Allow counties that did not meet the right of first selection criteria for the next W-2 agency contracts (for the period January 1, 2000 through December 31, 2001), to continue to administer the W-2 program for a one-year period beginning January 1, 2000. Specify that these counties would receive an allocation equal to the contract allocations approved by the Committee under paper #1083, adjusted for a 12-month period. Specify that these counties would not receive performance bonuses during this 12-month period. Reduce funding under the contract allocations by \$36,100 to account for this provision.

b. Specify that the third contract to administer the W-2 program in those regions that did not meet the right of first selection criteria would be for a period of one year beginning January 1, 2001. Provide that during this third contract, funding levels would be equal to the contract allocations approved by the Committee under paper #1083, adjusted for a 12-month period.

c. Require DWD to consult with the W-2 Contract and Implementation Committee in developing performance criteria to be used for W-2 agency contracts. Require that these criteria be submitted to the Joint Committee on Finance no later than December 1, 1999, for approval under the 14-day passive review process. Specify that these criteria would apply to the agencies operating under the one-year contract from January 1, 2000, to December 31, 2001. However, specify that DWD must use data regarding the agency's performance under the current contract (September, 1997, through December 31, 1999) in determining if the agency meets the performance standards. Prohibit DWD from considering the agency's performance during the calendar year 2000 contract period. Provide that if the agency meets the performance standards, the agency would receive the right of first selection for the third contract (January 1, 2001 through December 31, 2001).

*of approx  
standing  
cmtcs  
of  
legislature*

d. Specify that the performance criteria approved by the Joint Committee on Finance would be used as performance measures under the second contracts for all other agencies (for the contract period January 1, 2000 through December 31, 2001). Provide that these criteria would also be used as the right of first selection criteria for the third agency contract for these agencies.

*then emergency rules*

*est. perf. standards  
by rule  
emer. rule*



e. Specify that the performance criteria approved by the Joint Committee on Finance would be used as performance measures and right of first selection criteria under all subsequent W-2 agency contracts. Provide that if the Department wishes to modify the performance criteria, it must do so through administrative rules, which must be promulgated at least two months prior to issuing the request for proposals for the contract to which the criteria would apply.

f. Direct that the performance criteria (which would be used as the right of first selection criteria) submitted to the Joint Committee on Finance must account for the following:

- The number of individuals who are no longer receiving a cash benefit who previously received an AFDC benefit;
- Successful placement of individuals who are eligible for the W-2 program into a series of jobs forming a career ladder;
- Measurement of how the agency is performing essential services, even if individuals are not yet working;
- Existing or proposed partnerships with cooperative agencies;
- The number of high school students who are members of a W-2 eligible household, and the number of W-2 eligible persons whose status has changed from being delinquent to being a regular attendee at an institution of learning;
- Ratios of administrative expenditures to overall program costs;
- Numbers of hard to serve cases;
- Whether the profits attained by the agency were used for purposes that meet the goals of the programs;
- Characteristics of populations being served, including low-income working families.

g. Preclude DWD from using one case to prevent any agency from being awarded a contract under the right of first selection criteria.

h. Direct DWD to assist W-2 agencies in completing the RFP applications.

i. Require DWD to submit proposed administrative rules by December 1, 1999, that would specify that W-2 agencies would be relieved of providing benefits or relieved of the existing contractual terms if no additional funding is available to appropriate to agencies and the need for cash benefits has increased due to an unexpected economic downturn.

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Note:

This motion would allow counties that did not meet the right of first selection criteria for the next W-2 agency contracts to administer the W-2 program for one additional year, from January 1, 2000 through December 31, 2000.

This motion would also require DWD to develop specific performance criteria that would be used as the right of first selection criteria for the W-2 agency contracts. These criteria would be

subject to review by the Joint Committee on Finance.

Finally, the motion would require DWD to submit proposed rules by December 1, 1999, regarding the liability of W-2 agencies when a significant economic downturn results in an inability to serve participants, and no funding is available for the agency.

[Change to Bill: -\$36,100 FED]

yes.

SDC

**Agency: Workforce Development - Economic Support and Child Care - TANF**

caucus number 2603

duplicate flag:

duplicate with:

Other reference numbers:

LFB Sum #:

FM 496

bill number/amendment number:

LRB draft #

LRB P-draft:

description: Various changes to W-2 contract allocations

**other notes**

drafting instructions: Add FM 496 with additions on attached memo

more instructions:

Agency: **Workforce Development - Economic Support and Child Care - TANF**

Number of Amendments: 1

W-2 CONTRACT ALLOCATIONS AND CONTRACTING PROCESS

Motion #496

- Add Motion #496

With the following additions:

- Under motion c, require that the W-2 Contract and Implementation Committee consult with the standing Legislative Committees that address W-2.

- Require that these performance criteria immediately be put into emergency rule.

- That funding levels for the RFS be restored to current levels plus 3%.

- Provide parity for due date for contracts between county agencies and private agencies to August 17<sup>th</sup>.

W-2 Agency Contract Allocations [LFB Papers 1083 and 1086; page 940]

- For the RFP, restore funding levels initially proposed by the DWD

- Clarify that no tax levy will be spent on the benefit side, allowing immediate access to the TANF contingency fund.

- Allocate \$10 million of the TANF contingency fund (remove from 13.10 funding) to DWD segregated fund to make available to counties and agencies implementing W-2 who expend their benefit level.

- Return any money remaining in the \$10 million DWD segregated fund to the TANF contingency fund at the end of the biennium.

- Clarify that the DWD segregated fund can only be used for the reason specified above.

Fiscal Impact: \$10 million TANF

page 663, line 10 +

49.143(3m)

publish notice of mtgs of meetings w/ committee composed of w-2 agencies

6621 line 9 - by rule

if w-2 agency runs out of \$ submit request for more to DWD # DOA & DWD to DOA & SFC 14 day passive review

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

W-2 Contract Allocations and Contracting Process  
[Paper #1083]

Motion:

Move all of the following:

- a. Allow counties that did not meet the right of first selection criteria for the next W-2 agency contracts (for the period January 1, 2000 through December 31, 2001), to continue to administer the W-2 program for a one-year period beginning January 1, 2000. Specify that these counties would receive an allocation equal to the contract allocations approved by the Committee under paper #1083, adjusted for a 12-month period. Specify that these counties would not receive performance bonuses during this 12-month period. Reduce funding under the contract allocations by \$36,100 to account for this provision.
- b. Specify that the third contract to administer the W-2 program in those regions that did not meet the right of first selection criteria would be for a period of one year beginning January 1, 2001. Provide that during this third contract, funding levels would be equal to the contract allocations approved by the Committee under paper #1083, adjusted for a 12-month period.
- c. Require DWD to consult with the W-2 Contract and Implementation Committee in developing performance criteria to be used for W-2 agency contracts. Require that these criteria be submitted to the Joint Committee on Finance no later than December 1, 1999, for approval under the 14-day passive review process. Specify that these criteria would apply to the agencies operating under the one-year contract from January 1, 2000, to December 31, 2001. However, specify that DWD must use data regarding the agency's performance under the current contract (September, 1997, through December 31, 1999) in determining if the agency meets the performance standards. Prohibit DWD from considering the agency's performance during the calendar year 2000 contract period. Provide that if the agency meets the performance standards, the agency would receive the right of first selection for the third contract (January 1, 2001 through December 31, 2001).
- d. Specify that the performance criteria approved by the Joint Committee on Finance would be used as performance measures under the second contracts for all other agencies (for the contract period January 1, 2000 through December 31, 2001). Provide that these criteria would also be used as the right of first selection criteria for the third agency contract for these agencies.

e. Specify that the performance criteria approved by the Joint Committee on Finance would be used as performance measures and right of first selection criteria under all subsequent W-2 agency contracts. Provide that if the Department wishes to modify the performance criteria, it must do so through administrative rules, which must be promulgated at least two months prior to issuing the request for proposals for the contract to which the criteria would apply.

f. Direct that the performance criteria (which would be used as the right of first selection criteria) submitted to the Joint Committee on Finance must account for the following:

- The number of individuals who are no longer receiving a cash benefit who previously received an AFDC benefit;
- Successful placement of individuals who are eligible for the W-2 program into a series of jobs forming a career ladder;
- Measurement of how the agency is performing essential services, even if individuals are not yet working;
- Existing or proposed partnerships with cooperative agencies;
- The number of high school students who are members of a W-2 eligible household, and the number of W-2 eligible persons whose status has changed from being delinquent to being a regular attendee at an institution of learning;
- Ratios of administrative expenditures to overall program costs;
- Numbers of hard to serve cases;
- Whether the profits attained by the agency were used for purposes that meet the goals of the programs;
- Characteristics of populations being served, including low-income working families.

g. Preclude DWD from using one case to prevent any agency from being awarded a contract under the right of first selection criteria.

h. Direct DWD to assist W-2 agencies in completing the RFP applications.

i. Require DWD to submit proposed administrative rules by December 1, 1999, that would specify that W-2 agencies would be relieved of providing benefits or relieved of the existing contractual terms if no additional funding is available to appropriate to agencies and the need for cash benefits has increased due to an unexpected economic downturn.

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Note:

This motion would allow counties that did not meet the right of first selection criteria for the next W-2 agency contracts to administer the W-2 program for one additional year, from January 1, 2000 through December 31, 2000.

This motion would also require DWD to develop specific performance criteria that would be used as the right of first selection criteria for the W-2 agency contracts. These criteria would be

development block grant (CCDBG) of \$17,230,200 in 1999-00 and \$17,232,800 in 2000-01 and reduced GPR funding for W-2 child care of \$11,104,900 annually. Total child care funding from all sources would be \$183,429,600 (\$16,449,400 GPR, \$39,314,000 CCDBG and \$127,666,200 TANF) in 1999-00 and \$188,059,000 (\$16,449,400 GPR, \$39,311,400 CCDBG and \$132,298,200 TANF) in 2000-01. This reflects the Governor's proposal to not access the state's matching allocation component of the federal CCDBG, along with minor reestimates of base funding. These funds would be used for direct child care subsidies and indirect child care services provided by DWD and a transfer of \$9,900,000 annually to the Head Start program. Information on child care expenditures is provided in separate summaries.

States are required to meet maintenance-of-effort (MOE) and matching requirements for the CCDGB matching allocation, but there are no MOE or matching requirements for the other two components of CCDGB funding (the discretionary and mandatory allocations). If the state chose to access the federal matching funds in the 1999-01 biennium, an estimated \$20.2 million in 1999-00 and \$23.8 million in 2000-01 would be available. In addition, state GPR expenditures would have to be increased by \$14.2 million in 1999-00 and \$16.7 million in 2000-01 compared to the amounts in the bill.

**Joint Finance:** Based on the Committee's actions related to expenditures for direct and indirect child care and the Head Start program, total funding from all sources would be \$174,854,800 (\$16,449,400 GPR, \$39,314,000 CCDBG and \$119,091,400 TANF) in 1999-00 and \$195,780,100 (\$16,449,400 GPR, \$39,311,400 CCDBG and \$140,019,300 TANF) in 2000-01. This is a reduction of \$8,574,800 in 1999-00 and an increase of \$7,721,100 in 2000-01 from the Governor's recommendation. Information on these expenditures is provided in separate summary items.

### 3. OTHER MISCELLANEOUS GPR AND FEDERAL REVENUE CHANGES

GPR	-\$11,693,000
FED	22,259,000
Total	\$10,566,000

**Governor/Joint Finance:** Decrease GPR funding for the W-2 program by \$5,846,500 in each year and provide additional TANF funding of \$11,062,700 in 1999-00 and \$11,196,300 in 2000-01. The GPR reduction amount reflects the administration's estimate of GPR funding in other agencies that may be used to meet the maintenance of effort requirement under the federal TANF program. As a result, GPR in DWD may be reduced. A portion of the increased federal revenues would be used to offset this GPR reduction.

In addition, the administration has estimated that \$5,216,200 in 1999-00 and \$5,349,800 in 2000-01 would be reallocated from the W-2 program to other public assistance programs administered by the Department such as food stamps, medical assistance and child support, based on a cost allocation formula required by the federal government. Although these amounts of general purpose revenue would not be eliminated from the Department's overall budget, additional federal revenue expenditure authority would be needed for the W-2 program to offset this reallocation.

**4. CHILD SUPPORT COLLECTIONS [LFB Paper 1081]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$34,626,800	-\$20,134,400	\$14,492,400
PR	<u>-34,626,800</u>	<u>20,134,400</u>	<u>-14,492,400</u>
Total	\$0	\$0	\$0

**Governor:** Provide federal TANF funding of \$17,313,400 annually to replace reduced collections of child support assigned to the state by public assistance recipients. The administration estimates that child support collections available for W-2 program expenditures will total \$28,226,800 in each year. The lower child support collections reflect the public assistance caseload reductions that have occurred in recent years.

**Joint Finance:** Decrease federal TANF funding by \$9,732,300 in 1999-00 and \$10,402,100 in 2000-01 to reflect a higher estimate of child support collections. Total collections are estimated to be \$37,959,100 in 1999-00 and \$38,628,900 in 2000-01. The higher amounts are based on more recent actual collections data and a revised estimate of the federal hold harmless payment.

**5. W-2 AGENCY CONTRACT ALLOCATIONS [LFB Papers 1083 and 1086]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	-\$126,676,900	-\$57,431,000	-\$184,107,900

**Governor:** Decrease funding by \$60,794,800 in 1999-00 and \$65,882,100 in 2000-01 for benefits, administration and ancillary services under the W-2 agency contract allocations. The current W-2 agency contracts expire on December 31, 1999. The next contracts will be provided for the period January 1, 2000, through December 31, 2001.

Funding for the W-2 agency contracts under the Governor's recommendation would include: (a) \$119,587,300 in 1999-00 for benefits (\$59,132,400), office costs (\$56,471,100) and the long-term and refugee supplement (\$3,983,800) under the current W-2 agency contracts through December 31, 1999; (b) \$42,792,500 in 1999-00 and \$85,584,900 in 2000-01 for benefits costs under the new W-2 agency contracts beginning January 1, 2000; and (c) \$71,707,500 in 1999-00 and \$143,415,100 in 2000-01 for office costs and ancillary services under the new agency contracts. Overall, funding for subsidized employment benefits, including the reserve for benefit payments for Milwaukee County, would decrease by \$75,053,100 in 1999-00 and \$91,393,100 in 2000-01. Funding for administration and ancillary services would increase by \$14,258,300 in 1999-00 and \$25,511,000 in 2000-01.

The Governor's recommendation regarding benefits under the new W-2 agency contracts reflects caseload declines that have occurred since the implementation of the program. Administrative and ancillary services for the new contracts under the Governor's



recommendation include estimated costs for the following: general overhead expenses; screening and treatment for alcohol and other drug abuse (AODA); services for participants in the food stamp employment and training program; post-employment and case management services for all W-2 cases; and an adjustment to provide a minimum amount of funding for smaller agencies.

Counties that have a large percentage of long-term and refugee cases would receive additional funding under the new contracts; however, the supplement for these cases would no longer be a separate budget item. In addition, the funding amounts reflect the elimination of the reserve for benefit payments for Milwaukee County. This funding had been provided for the W-2 agencies in Milwaukee County to offset the costs of an increase in benefit payments under 1997 Act 27. Under the new W-2 agency contracts, any dollars needed for benefit costs have been included in the administration's estimates.

The amounts for new agency contracts under the Governor's recommendation also include performance bonus payments. According to the administration, the maximum amount of profit that would be available for the next contracts would be 7% of the total budgeted amount (approximately \$24.0 million statewide over the next contract period). Bonus funding would not be provided to each agency in the contract, but would be made available to an agency if it met certain performance criteria. These criteria have not yet been finalized; nor are these provisions specified in the bill.

The current W-2 agency contract provides that any funding in excess of that used for benefits and other allowable expenses is to be distributed according to a formula developed by DWD. The formula establishes a two-tier distribution mechanism for excess agency funds. Under the first tier, the agency is allowed to retain an amount equal to 7% of the implementation contract amount as unrestricted profit. Under the second tier, any remaining surplus funds are divided between the agency and the state as follows: (a) 10% is retained by the agency for unrestricted use; (b) 45% is retained by the agency for reinvestment in the community; and (c) 45% is retained by the state. If unexpended funds are less than 7% of the contract amount, the entire surplus is retained by the agency and the second-tier calculation does not apply. The contract provides for a preliminary profit distribution based on expenditures through August 31, 1998. Agencies were allowed to obtain a portion of their profit in December, 1998. A final distribution of profit will be made after the contract expires on December 31, 1999. None of these provisions are specified in the statutes.

**Joint Finance:** Approve the following modifications with regard to the W-2 agency contracts:

**Contract Allocations:** Modify the contract allocations for next W-2 agency contracts for the period January 1, 2000, through December 31, 2001 as outlined below:

- a. Reduce the amount identified for subsidized employment benefits by \$7,661,800 in 1999-00 and \$15,313,400 in 2000-01. In addition, reduce the amounts for performance bonuses

by \$536,300 in 1999-00 and \$1,071,900 in 2000-01. This adjustment would make the benefit allocations in the bill consistent with the request for proposals (RFP) for the new contracts, but would not transfer the savings to the allocation for administration as recommended by the Governor.

b. Reduce the amount provided for benefit allocations related to funding for the next W-2 agency contracts to reflect both a minimum allocation for each agency of five cases per month and a projected 1.0% monthly decrease in the statewide caseload. Decrease funding by \$6,688,900 in 1999-00 and \$13,378,000 in 2000-01 for subsidized employment benefits and \$468,300 in 1999-00 and \$936,500 in 2000-01 for performance bonuses.

c. Reduce funding for W-2 contracts by \$3,792,000 in 1999-00 and \$7,583,900 in 2000-01 to account for sanctions imposed on W-2 recipients. Specify that sanctions would be recovered from the W-2 agency as they are imposed by the agency on participants.

d. Require the Department to promulgate administrative rules regarding the criteria for use of the community reinvestment funding (called the "restricted use performance bonus" under the RFP for the next W-2 agency contracts). Eliminate funding for the 4% performance bonus from the W-2 agency contract allocations. Instead, distribute this funding to counties, based on the final contract allocation, for community reinvestment in accordance with DWD's rules. Specify that the use of community reinvestment funds would have to be determined by the County Board. Require DWD to certify that such expenditures would comply with the federal restrictions regarding the use of TANF funding. Funding provided to counties under this provision is shown as "county community reinvestment" in Table 2.

Further, specify that any dollars withheld, reduced or recovered from a W-2 agency because the agency has failed to satisfactorily perform its responsibilities under the contract would be added to the unallocated balance of unexpended TANF revenues that would be carried forward to the next fiscal year.

Finally, the bill allocated funding on a fiscal year basis for the new W-2 agency contracts, but referenced these contracts as being "entered into after December 31, 1999." Because the new contracts would actually be signed prior to that date, the Committee approved a clarification that would refer to these contracts as "effective January 1, 2000, through December 31, 2001."

*Performance Measures Used for Profit:* Direct the Department to amend the request for proposals for administration of the W-2 program for the period January 1, 2000, through December 31, 2001 to: (a) define the term "entered employment transaction" under the job retention performance criterion; (b) define full and appropriate engagement for each individual who is required to participate in the food stamp employment and training (FSET) program as engagement in activities for a number of hours equal to the household's monthly food stamp benefit divided by the minimum wage; (c) eliminate the provision that would specify that full and appropriate engagement for W-2 subsidized employment participants is engagement in appropriate activities for at least 30 hours per week; and (d) clarify that for two-parent families,

engagement in work activities is defined as 55 hours per week for both parents if the family is receiving federally funded child care assistance and the second parent in the family is not disabled or caring for a severely disabled child.

Adopt statutory language to require DWD to base any profit calculation under the W-2 agency contracts on measures of agency performance including: (a) the placement of W-2 applicants and participants into unsubsidized jobs; (b) whether the jobs are full-time or part-time; (c) job retention by former applicants or participants; (d) wages and benefits earned by former applicants or participants; (e) appropriate implementation of all components of the program; and (f) customer satisfaction. In addition, specify that W-2 agency contracts may not permit agencies to receive profits based on caseload decreases or reduced agency spending that are not directly attributable to placement of W-2 participants in unsubsidized employment. Finally, require the Department to develop a system to track former applicants and participants to ensure that agency performance is reliably measured.

**6. FINANCIAL ELIGIBILITY REQUIREMENTS FOR W-2 EMPLOYMENT POSITIONS AND JOB ACCESS LOANS [LFB paper 1094]**

**Governor/Joint Finance:** Eliminate the inclusion of child support payments received on behalf of children in the W-2 group that are distributed to the parent in the W-2 group as income for purposes of determining eligibility for W-2 employment positions and job access loans. This provision would first apply to the calculation of the income of a person who applies for the W-2 program on January 1, 2000. The administration indicates that the cost of this provision would be absorbed within the contract allocations; no separate fiscal estimate was prepared for this item.

In addition, specify that an individual remains eligible for the W-2 program until the W-2 group's assets are expected to exceed the asset limit for at least two consecutive months. Under the current statutes, an individual remains eligible for the W-2 program until the W-2 group's assets have exceeded the asset limit for at least two months. The asset limit is \$2,500, excluding the equity value of vehicles up to \$10,000 and the group's home. Under this modification, the treatment of assets would be consistent with current law regarding the treatment of income, and with the Department's current practice.

**7. PARTIAL COMMUNITY SERVICE JOBS [LFB Paper 1092]**

**Governor:** Modify the calculation of the grant for participants who are required to work less than 30 hours per week in W-2 community service jobs (CSJs) because the participant has unsubsidized employment. Specify that the grant amount would be determined in accordance with a schedule developed by the Department by rule. Under current law in such cases, the grant amount may be reduced by a prorated amount equal to the product of \$5.15 and the difference between 30 and the number of hours the participant is required to work in the CSJ.

**Joint Finance:** Eliminate the Governor's provision. Instead, modify current law relating to partial CSJ placements by specifying that the monthly grant amount would be prorated as follows: (a) for an assignment of work activities up to 10 hours per week, the grant amount would be prorated by 1/3; (b) for an assignment of work activities of 10 to 15 hours per week, by 1/2; (c) for an assignment of work activities of 15 to 20 hours per week, by 2/3; and (d) for an assignment of work activities in excess of 20 hours per week, the grant amount would be \$673 (equal to the current CSJ grant amount). Specify that the grant amount would be based on the financial employment planner's determination of the appropriate number of hours for a participant at the time of the application process or regularly scheduled review.

Require DWD to implement the partial CSJ provisions within three months of the bill's general effective date.

#### 8. WAGE-PAYING COMMUNITY SERVICE JOBS [LFB Paper 1093]

**Governor:** Expand the wage-paying community service job pilot program statewide beginning on January 1, 2001, and eliminate the statutory sunset date for the pilot program.

As under current law, a W-2 agency would be allowed to place W-2 participants into wage-paying community service jobs. The agency would be allowed to contract with a nonprofit, nonstock corporation to provide employment for a wage-paying CSJ participant. The W-2 agency would be required to reimburse the employer for the amounts paid by the employer for the wages and payroll taxes of the participant. In addition, the W-2 agency would be required to provide the participant with worker's compensation coverage, unless the employer for whom the participant is performing work provides worker's compensation.

Also, as under current law, the participant would be allowed to participate in a particular CSJ placement for up to three months, with the opportunity for a one-month extension under circumstances approved by the Department. An individual could participate in more than one CSJ, but generally could not exceed a total of 24 months of participation in all CSJ placements, unless approved by the Department on a case-by-case basis.

The bill would make modifications to the wage-paying community service job provisions, as outlined in the following sections.

**Limited Participation.** Limit the number of participants in wage-paying CSJs at any given time to 2,500 statewide, allocated among the W-2 agencies based on a formula determined by the Department. In December, 1998, 5,509 individuals were participating in grant-paying CSJs statewide. Under current law, the Department may only implement the wage-paying community service job program in two W-2 agencies in Milwaukee County.

**Eligibility.** Specify that a W-2 agency may not place an individual into a wage-paying CSJ unless the agency determines that the individual is qualified for unsubsidized employment but has been unable to obtain full-time unsubsidized employment despite reasonable efforts on the

---

subject to review by the Joint Committee on Finance.

Finally, the motion would require DWD to submit proposed rules by December 1, 1999, regarding the liability of W-2 agencies when a significant economic downturn results in an inability to serve participants, and no funding is available for the agency.

[Change to Bill: -\$36,100 FED]

**W-2 CONTRACT ALLOCATIONS AND CONTRACTING PROCESS**

**Motion #496**

- Add Motion #496

*With the following additions:*

- Under motion c, require that the W-2 Contract and Implementation Committee consult with the standing Legislative Committees that address W-2.

- Require that these performance criteria (#496, d) be put ~~immediately~~ into emergency rule within 30 days after ~~Joint Finance approval~~ *after eff date consult w/*

- ~~That funding levels for the RFS be restored to current levels plus 3%.~~ *approx. Standing*

- Specify that the due date for submitting a proposal for the next W-2 contract for counties that did not meet the Right of First Selection criteria is August 17<sup>th</sup>, 1999. *Committee first*

- ~~Provide parity for due date for contracts between county agencies under the moratorium and private agencies to August 17<sup>th</sup>.~~

*W-2 Agency Contract Allocations [LFB Papers 1083 and 1086; page 940]*

- ~~For the RFP, restore funding levels initially proposed by the DWD~~

- ~~Clarify that no tax levy will be spent on the benefit side, allowing immediate~~ Provide for access to the TANF contingency fund by requiring that DWD submit a request on behalf of W-2 Agencies that have exceeded their benefit allocation to DOA. DOA then submits a request to the Joint Finance Committee under a 14-day passive review. *OUT*

- ~~Allocate \$10 million of the TANF contingency fund (remove from 13.10 funding) to DWD segregated fund to make available to counties and agencies implementing W-2 who expend their benefit level.~~

- ~~Return any money remaining in the \$10 million DWD segregated fund to the TANF contingency fund at the end of the biennium.~~

- ~~Clarify that the DWD segregated fund can only be used for the reason specified above.~~

*Fiscal Impact: \$10 million TANF*



(soon)  
State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1049/1

TAY.....

RMK Jlg

SDC:.....Walter - #3305, W-2 contract allocations and process

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

D-NOTE

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 662, line 11: after "standards" insert "by rule". ✓

3 2. Page 662, line 11: after "works." insert "In developing the standards, the  
4 department shall consult with the appropriate standing committees of the  
5 legislature and shall consider all of the criteria specified under sub. (3g).". ✓

6 3. Page 663, line 17: after that line insert: ~~~~~

7 4. Page 682, line 13: delete "\$2,779,800" and substitute ✓ "\$2,743,700".

8 5. Page 1566, line 17: after that line insert:

9 nonstat 4e  
"3) WISCONSIN WORKS AGENCY CONTRACTS..  
X

1 <sup>a</sup>  
 2 (2) Notwithstanding section 49.143 (1) (a) and (am) 1. and 2. of the statutes, as  
 3 affected by this act, the department of workforce development shall contract with  
 4 each Wisconsin works agency that elects to enter into the contract but that has not  
 5 met the performance standards established by the department of workforce  
 6 development for contracts with a term ending on December 31, 1999, if the Wisconsin  
 7 works agency submits to the department not later than August 17, 1999, a plan for  
 8 the administration of Wisconsin works. The contracts shall be for a term beginning <sup>one-half</sup>  
 9 January 1, 2000, and December 31, 2000, and shall be for an amount that is ~~1/2~~  
 10 the amount that the Wisconsin works agency would have received under a 2-year  
 11 contract. Notwithstanding section 49.143 (3g) of the statutes, as created by this act,  
 12 and SECTION 9357 <sup>(6e) of this act</sup> (3), the department may not distribute a performance bonus under  
 13 a contract entered into under this paragraph.

14 <sup>b</sup>  
 15 (2) Notwithstanding section 49.143 (1) (am) 1. of the statutes, as affected by this  
 16 act, the contract period for a contract to administer Wisconsin works beginning  
 17 January 1, 2001 <sup>(3)</sup> shall be for one year and shall be for an amount that is equal to <sup>one-half</sup>  
 18 of the amount that the contractor would have received under a 2-year contract.

19 <sup>c</sup>  
 20 (2) Notwithstanding section 49.143 (1) (a) <sup>of the statutes</sup>, beginning on the effective date of  
 21 this subsection, the department may not enter into a contract with any person for the  
 22 administration of Wisconsin works until after the rules required under section  
 23 49.143 (3) of the statutes, as affected by this act, have been promulgated as  
 24 emergency rules under subsection <sup>4ee</sup> (7).

25 <sup>4ee</sup>  
 (2) PERFORMANCE STANDARDS; EMERGENCY RULES. No later than 30 days after the  
 effective date of this subsection, the department of workforce development shall  
 promulgate the rules required under section 49.143 (3) of the statutes, as affected by  
 this act, for the period before the effective date of the permanent rules promulgated



1 under section 49.143 (3) <sup>✓</sup> of the statutes, as affected by this act, but not to exceed the  
 2 period authorized under section 227.24 (1) (c) and (2) of the statutes.  
 3 Notwithstanding section 227.24 (1) (a), (2) (b) and (3) of the statutes, the department  
 4 is not required to provide evidence that promulgating a rule under this <sup>✓</sup> subsection  
 5 as an emergency rule is necessary for the preservation of the public peace, health,  
 6 safety or welfare and is not required to provide a finding of emergency for a rule  
 7 promulgated under this subsection. Prior to promulgating the rules under this  
 8 subsection, the department shall consult with the appropriate standing committees  
 9 of the legislature.”.

10 **6.** Page 1603, line 12: delete “2002” and substitute “2000” <sup>✓</sup>.

11 **7.** Page 1603, line 12: after that line insert:

12 <sup>initial</sup> <sup>app</sup> <sup>6e</sup> “(1) PERFORMANCE STANDARDS. The treatment of section 49.143 (3) (with respect  
 13 to establishing performance criteria by rule) of the statutes ~~as affected by this act,~~  
 14 first applies to contracts to administer Wisconsin works entered into or renewed on  
 15 the effective date of the rules promulgated under SECTION 9157 <sup>4ee</sup> <sup>of this act</sup>.”.

16 (END)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb1049/1dn

TAX.....

↑  
jg

Per discussions this afternoon with Cory Mason and Kelly Bablitch, this draft does only the following:

1. Requires DWD to contract with the <sup>✓</sup>13 counties for one year <sup>with</sup>~~no~~ provision for performance bonuses.
2. Requires the contract that follows that one to run for one year, but that contract will be awarded based on right of first selection/competitive process.
3. Requires DWD to promulgate emergency rules within 30 days after the effective date of the budget.
4. Prohibits DWD from entering into a contract for the administration of W-2 between the effective date of the budget and the effective date of the emergency rules and applies the performance standards promulgated by rule to contracts entered into or renewed on or after the effective date of the rules.
5. Applies bonus performance criteria to the contracts that begin January 1, 2000, rather than January 1, 2002.

If you have any questions, please contact me.

Tina A. Yacker  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: Tina.Yacker@legis.state.wi.us

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb1049/1dn  
TAY;jlg:ksh

June 29, 1999

Per discussions this afternoon with Cory Mason and Kelly Bablitch, this draft does only the following:

1. Requires DWD to contract with the 13 counties for one year with no provision for performance bonuses.
2. Requires the contract that follows that one to run for one year, but that contract will be awarded based on right of first selection/competitive process.
3. Requires DWD to promulgate emergency rules within 30 days after the effective date of the budget.
4. Prohibits DWD from entering into a contract for the administration of W-2 between the effective date of the budget and the effective date of the emergency rules and applies the performance standards promulgated by rule to contracts entered into or renewed on or after the effective date of the rules.
5. Applies bonus performance criteria to the contracts that begin January 1, 2000, rather than January 1, 2002.

If you have any questions, please contact me.

Tina A. Yacker  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: Tina.Yacker@legis.state.wi.us

(Soot)

RNL  
RMR

SDC:.....Walter - #3305, W-2 contract allocations and process

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

\$ 25,701,00

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 662, line 11: after "standards" insert "by rule".

3 2. Page 662, line 11: after "works." insert "In developing the standards, the  
4 department shall consult with the appropriate standing committees of the  
5 legislature and shall consider all of the criteria specified under sub. (3g)".

6 3. Page 682, line 13: delete "\$2,779,800" and substitute "\$2,748,700".

7 → #. Page 682, line 14: delete "\$5,559,800" and substitute "\$5,350,100".

7 4. Page 1566, line 17: after that line insert:

8 "(4e) WISCONSIN WORKS AGENCY CONTRACTS..

9 (a) Notwithstanding section 49.143 (1) (a) and (am) 1. and 2. of the statutes, as

10 affected by this act, the department of workforce development shall contract with

1 each Wisconsin works agency that elects to enter into the contract but that has not  
2 met the performance standards established by the department of workforce  
3 development for contracts with a term ending on December 31, 1999, if the Wisconsin  
4 works agency submits to the department not later than August 17, 1999, a plan for  
5 the administration of Wisconsin works. The contracts shall be for a term beginning  
6 January 1, 2000, and December 31, 2000, and shall be for an amount that is one-half  
7 of the amount that the Wisconsin works agency would have received under a 2-year  
8 contract. Notwithstanding section 49.143 (3g) of the statutes, as created by this act,  
9 and SECTION 9357 (6e) of this act, the department may not distribute a performance  
10 bonus under a contract entered into under this paragraph.

11 (b) Notwithstanding section 49.143 (1) (am) 1. of the statutes, as affected by this  
12 act, the contract period for a contract to administer Wisconsin works beginning  
13 January 1, 2001, shall be for one year and shall be for an amount that is equal to  
14 one-half of the amount that the contractor would have received under a 2-year  
15 contract.

16 (c) Notwithstanding section 49.143 (1) (a) of the statutes, beginning on the  
17 effective date of this subsection, the department may not enter into a contract with  
18 any person for the administration of Wisconsin works until after the rules required  
19 under section 49.143 (3) of the statutes, as affected by this act, have been  
20 promulgated as emergency rules under subsection (4ee).

21 (4ee) PERFORMANCE STANDARDS; EMERGENCY RULES. No later than 30 days after  
22 the effective date of this subsection, the department of workforce development shall  
23 promulgate the rules required under section 49.143 (3) of the statutes, as affected by  
24 this act, for the period before the effective date of the permanent rules promulgated  
25 under section 49.143 (3) of the statutes, as affected by this act, but not to exceed the

1 period authorized under section 227.24 (1) (c) and (2) of the statutes.  
2 Notwithstanding section 227.24 (1) (a), (2) (b) and (3) of the statutes, the department  
3 is not required to provide evidence that promulgating a rule under this subsection  
4 as an emergency rule is necessary for the preservation of the public peace, health,  
5 safety or welfare and is not required to provide a finding of emergency for a rule  
6 promulgated under this subsection. Prior to promulgating the rules under this  
7 subsection, the department shall consult with the appropriate standing committees  
8 of the legislature.”.

9 **5.** Page 1603, line 12: delete “2002” and substitute “2000”.

10 **6.** Page 1603, line 12: after that line insert:

11 “(6e) PERFORMANCE STANDARDS. The treatment of section 49.143 (3) (with  
12 respect to establishing performance criteria by rule) of the statutes first applies to  
13 contracts to administer Wisconsin works entered into or renewed on the effective  
14 date of the rules promulgated under SECTION 9157 (4ee) of this act.”.

15 (END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1049/3  
TAY:jlg&wlj:ijs

SDC:.....Walter – #3305, W-2 contract allocations and process

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

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- 4 department shall consult with the appropriate standing committees of the
- 5 legislature and shall consider all of the criteria specified under sub. (3g).”.
- 6 3. Page 682, line 13: delete “\$2,779,800” and substitute “\$2,570,100”.
- 7 4. Page 682, line 14: delete “\$5,559,800” and substitute “\$5,350,100”.
- 8 5. Page 1566, line 17: after that line insert:
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1 (a) Notwithstanding section 49.143 (1) (a) and (am) 1. and 2. of the statutes, as  
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3 each Wisconsin works agency that elects to enter into the contract but that has not  
4 met the performance standards established by the department of workforce  
5 development for contracts with a term ending on December 31, 1999, if the Wisconsin  
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7 the administration of Wisconsin works. The contracts shall be for a term beginning  
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9 of the amount that the Wisconsin works agency would have received under a 2-year  
10 contract. Notwithstanding section 49.143 (3g) of the statutes, as created by this act,  
11 and SECTION 9357 (6e) of this act, the department may not distribute a performance  
12 bonus under a contract entered into under this paragraph.

13 (b) Notwithstanding section 49.143 (1) (am) 1. of the statutes, as affected by this  
14 act, the contract period for a contract to administer Wisconsin works beginning  
15 January 1, 2001, shall be for one year and shall be for an amount that is equal to  
16 one-half of the amount that the contractor would have received under a 2-year  
17 contract.

18 (c) Notwithstanding section 49.143 (1) (a) of the statutes, beginning on the  
19 effective date of this subsection, the department may not enter into a contract with  
20 any person for the administration of Wisconsin works until after the rules required  
21 under section 49.143 (3) of the statutes, as affected by this act, have been  
22 promulgated as emergency rules under subsection (4ee).

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24 the effective date of this subsection, the department of workforce development shall  
25 promulgate the rules required under section 49.143 (3) of the statutes, as affected by



1 this act, for the period before the effective date of the permanent rules promulgated  
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3 period authorized under section 227.24 (1) (c) and (2) of the statutes.  
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9 subsection, the department shall consult with the appropriate standing committees  
10 of the legislature.”.

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15 contracts to administer Wisconsin works entered into or renewed on the effective  
16 date of the rules promulgated under SECTION 9157 (4ee) of this act.”.

17 (END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1049/3  
TAY:jlg&wlj:kjf

SDC:.....Walter - #3305, W-2 contract allocations and process

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

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6 works agency submits to the department not later than August 17, 1999, a plan for  
7 the administration of Wisconsin works. The contracts shall be for a term beginning  
8 January 1, 2000, and ending December 31, 2000, and shall be for an amount that is  
9 one-half of the amount that the Wisconsin works agency would have received under  
10 a 2-year contract. Notwithstanding section 49.143 (3g) of the statutes, as created  
11 by this act, and SECTION 9357 (6e) of this act, the department may not distribute a  
12 performance bonus under a contract entered into under this paragraph.

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15 January 1, 2001, shall be for one year and shall be for an amount that is equal to  
16 one-half of the amount that the contractor would have received under a 2-year  
17 contract.

18 (c) Notwithstanding section 49.143 (1) (a) of the statutes, beginning on the  
19 effective date of this subsection, the department may not enter into a contract with  
20 any person for the administration of Wisconsin works until after the rules required  
21 under section 49.143 (3) of the statutes, as affected by this act, have been  
22 promulgated as emergency rules under subsection (4ee).

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25 promulgate the rules required under section 49.143 (3) of the statutes, as affected by

1 this act, for the period before the effective date of the permanent rules promulgated  
2 under section 49.143 (3) of the statutes, as affected by this act, but not to exceed the  
3 period authorized under section 227.24 (1) (c) and (2) of the statutes.  
4 Notwithstanding section 227.24 (1) (a), (2) (b) and (3) of the statutes, the department  
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6 as an emergency rule is necessary for the preservation of the public peace, health,  
7 safety or welfare and is not required to provide a finding of emergency for a rule  
8 promulgated under this subsection. Prior to promulgating the rules under this  
9 subsection, the department shall consult with the appropriate standing committees  
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14 respect to establishing performance standards by rule) of the statutes first applies  
15 to contracts to administer Wisconsin works entered into or renewed on the effective  
16 date of the rules promulgated under SECTION 9157 (4ee) of this act.”.

17 (END)