

2009 DRAFTING REQUEST

Bill

Received: **12/17/2008**

Received By: **pkahler**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Grimsrud**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Public Assistance - Wis works**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Grimsrud, BB0268 -

Topic:

Restructuring Wisconsin Shares

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>
/?	pkahler 12/19/2008	bkraft 12/22/2008		_____			State
/P1			rschluet 12/22/2008	_____	cduerst 12/22/2008		State
/P2	pkahler 01/23/2009	bkraft 01/23/2009	rschluet 01/23/2009	_____	cduerst 01/23/2009		State
/1	pkahler 01/29/2009	bkraft 01/29/2009	mduchek 01/29/2009	_____	sbasford 01/29/2009		State
/2	pkahler 01/30/2009	nnatzke 01/30/2009	phenry 01/30/2009	_____	cduerst 01/31/2009		State

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	02/06/2009	02/06/2009	02/09/2009	_____	02/09/2009		

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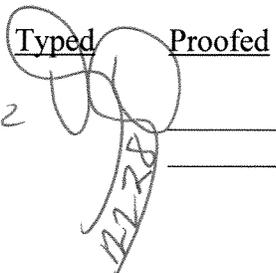
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/?	pkahler	1 P1 bjk 12/22					

FE Sent For:

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2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Restructuring Wisconsin Shares
- Tracking Code: BB0268
- SBO team: Education, Children & Families
- SBO analyst: Sarah Grimsrud
 - Phone: 266-2288
 - Email: Sarah.Grimrud@Wisconsin.gov
- Agency acronym: DCF
- Agency number: 437
- Priority (Low, Medium, High): High

Intent: See attached issue paper.

DEPARTMENT OF CHILDREN AND FAMILIES
2009-11 Biennial Budget
Governor's Budget Issue Paper

Issue: Restructure Wisconsin Shares

Background

Currently, the State contracts with the W-2 agencies to determine eligibility for the Wisconsin Shares program and with counties and tribes (which may subcontract the function) to administer the program. Administration includes setting authorization levels for subsidy amounts. According to the rules governing the program, authorizations for licensed care are to be made on an enrollment basis, i.e., based on the number of hours of childcare the client is expected to need. Authorizations can be made on an attendance basis if the number of hours the client will need is expected to vary widely from week-to-week or if there have been instances of over-reporting of hours. Authorizations for care with certified providers must always be based on attendance.

Statewide, approximately 60% of all authorizations are enrollment-based and 40% are attendance-based. However, the distribution of the authorization types varies widely from county to county, with some counties making 100% of authorizations attendance-based, while others have as many as 90% enrollment-based. This results in inconsistent reimbursement among otherwise similar providers and complicates oversight and administration of the program. In a similar vein of oversight and administration, a recent check of attendance reports for enrollment authorizations showed an average statewide attendance rate of 78%. In the past an underutilization attendance policy was used to reduce the amount of payments made for enrollment hours not actually used, but that policy was discontinued in May, 2008. Other concerns include the week-to-week variability of attendance-based authorizations making it difficult for childcare providers serving families in the Shares program to project revenues on a monthly basis.

The Shares reimbursement system is further complicated by the co-payment structure. The majority of Shares recipients are responsible for some level of co-payment, to be paid by the client directly to the provider. Co-payment levels are established by the Department through administrative rule. The co-payment for which a family is responsible increases, both in real dollars and as a percentage of gross income, as a family's income increases. Single parents at 75% of the federal poverty level with one child in care are responsible for a \$5 weekly co-payment, which represents 2.5% of their gross income. Single parents at 150% of the federal poverty level with one child in care are responsible for a \$48 weekly co-payment, which represents nearly 12% of their gross income. The co-payment schedule is currently capped at this level by policy.

Under current law, parents are liable for the copayment. Collection of co-payments is the responsibility of providers. Many providers find collection to be a significant administrative burden. In addition, some providers (often low-quality programs) waive co-payments as a financial incentive to attract clients.

Proposal

Rate and Co-Payment Restructuring

Under this proposal, authorizations for Shares will be established by calculating the average number of hours of care per week per month needed, thereby eliminating the current system of enrollment and attendance authorizations. Such a structure could be used to reduce provider rates and significantly reduce program costs, while maintaining support for families with the need for the most care. This model uses six payment tiers to determine the reimbursement rate. Specifically, if the average number of hours needed is determined to be more than 40, the provider would receive the rate for a full-time placement. If the average need per week per month is 36-40 hours the provider would receive 76% of the full-time rate; 65% for 31-35 hours; 50% for 21-30 hours; 30% for 11-19 hours; and 20% for 10 hours or less.

In order to provide an incentive for families to request authorization for no more hours than they actually need, this proposal also anticipates restructuring the co-payment schedule in a method parallel to the changes in the basis for provider reimbursement. Specifically, if a family were authorized for more than an average of 40 hours per week per month, they would be responsible for 100% of their specific co-payment amount. The co-payment would drop to 76% of that amount for 36-40 hours, 65% for 31-35 hours, 50% for 21-30 hours, 30% for 11-20 hours and 20% for 10 hours or less. The maximum co-payment will still be a factor of family size and income. However, the restructured tiered-reimbursement schedule will provide a strong incentive to parents to limit authorization levels to meet actual need.

Another key element of this proposal is to re-route the flow of co-payments. Rather than the provider collecting from the parent, in this proposal the parent would pay the State. While current law makes parents liable for co-payments, there is no substantive enforcement mechanism to ensure that payments actually occur. Routing the co-payments to the State more efficiently enables co-payment enforcement through the denial of benefits to families who fail to fulfill this requirement. The co-payments received by the State would be used to offset program costs. In addition, under this proposal, the State will be able to provide the entire provider reimbursement in a single payment, rather than the provider getting one payment from the State and another from the parent.

The State already has an infrastructure in place to collect and distribute child support payments. This proposed State collection of co-payments could similarly be contracted out. The system would use a payment-book for childcare co-payments, or a similar mechanism of remittance attached to the co-payment. A part of this remittance will require the parent to indicate the number of hours of care that were received and to sign as an attestation to the accuracy of what they are reporting. This will give the State additional data on attendance. In addition, it will be a mechanism to bolster program integrity, because requiring a parent's signature attesting to the number of hours-of-care received greatly enhances the likelihood that amount reported is accurate.

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to parent?

Implementation of this proposal would have several positive effects. Administration of the program would be streamlined by eliminating the enrollment-based/attendance-based dichotomy. Payments to providers would be predictable and relatively easy to understand. Providers would be relieved of the administrative burden of collecting co-payments. By systematically enforcing the requirement that parents make their co-payments, providers that had not been effective at collecting co-payments could see an increase in revenues from Shares, even if their client's authorization were at the 76% payment tier.

Because of the lower reimbursement for families authorized for less than 40 hours of care, some number of providers may cease to serve families in the Shares program. A percentage of the families served by these providers may be unable to find another licensed or certified provider and may discontinue participation in the program. The extent to which this would occur is difficult to estimate. Similarly, some percent of families currently enrolled in Shares but not making co-payments likely would also discontinue participation. These incidences would result in further program savings.

Over time, control of program expenditures to stay within budgeted levels will be possible by, if necessary, adjusting the rates within specific payment tiers. For example, a full-time placement could be defined as 45 or more hours, and the remaining tiers could be set at 75% for 35-44 hours, 50% for 20-34 hours, and 25% for less than 20 hours. This adjustment would reduce over all subsidy payments.

Elimination of Child Support Disregard

Currently, when determining financial eligibility or expected co-payment amounts, child support received does not count as income. This proposal would change this policy (returning to the policy prior to March 2000) of counting child support received when determining eligibility for child care assistance and in determining co-payment responsibilities. Child support income would continue to be disregarded in determining eligibility for W-2 participation and cash assistance.

The proposal will generate savings in the child care program through two effects. First, factoring child support receipts in a household's income calculation would remove cases from the rolls by increasing some family's incomes and pushing them over the current-law financial eligibility limits of 185% of the federal poverty level (FPL) for new entrants and 200% FPL for continuing participants. In addition, since a family's income determines the co-payment level, increasing reported income by adding child support received would also increase total co-payment amounts and reduce the state's subsidy.

Fiscal Estimate

Implementation of this structure could reduce expenditures in the Shares program by approximately \$50 million per year (exclusive of the child support disregard policy). Restructuring the State's portion of the payment alone could reduce expenditures by more than \$60 million, but applying the same structure (100%, 76%, etc.) to the co-payments would result in some portion of approximately \$40 million in assessed co-payments being paid to the state

*Count
child
support*

rather than providers, and this revenue would be available to offset the level of savings otherwise required to balance the budget.

In a study by the University of Wisconsin Institute for Research on Poverty (IRP) using 2005 data the estimated savings of the proposal to eliminate the child-support income disregard were \$1.5 million due to caseload reduction and \$4.3 million due to increased co-payments, for a total of \$5.3 million in savings. However, co-payment savings could be refined to coincide with an annual change in the co-payment schedule, typically in March. While the estimates could be considered conservative, since they are based on the lower participation and co-payments in 2005, implementation in combination with the proposal to change the co-payment structure and require payments to the state would make savings estimates less precise.

Ancillary Costs

Access to affordable childcare has been shown to be a critical factor in helping low-income parents get and retain jobs. According the Economic Policy Institute, single mothers of young children are 40% more likely to still be employed after two years if they receive help paying for childcare. Former welfare recipients with young children are 60% more likely to still be employed after two years if they receive help paying for childcare. Program changes aimed at reducing Shares expenditures will invariably have a negative impact on the ability of some of these families to stay employed and therefore result in some level of increased expenditures in other programs. A single parent who loses childcare subsidy and subsequently drops out of the labor force is likely to seek and receive other supports, such as food stamps and TANF.

Another ancillary effect of working families leaving the Shares program would be an increase in the number of children left in informal, unregulated care arrangements. Such arrangements (typically, where a child is left with a friend, relative or older sibling) are much more likely to lead to instances of neglect and maltreatment and so would increase child welfare program costs.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1193/7

PJK:.....

PI
Lbjk

DOA:.....Grimsrud, BB0268 – Restructuring Wisconsin Shares

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

in 12-19
D-note
SAV
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gov cut

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

This is a preliminary draft. An analysis will be provided in a later version.
For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.437 (2) (gm) of the statutes is created to read:

3 20.437 (2) (gm) *Wisconsin Works; child care copayments*. All moneys received
4 under s. 49.155 (5) (c) to be used for administration of the Wisconsin Works program
5 and for the child care subsidy program under s. 49.155.

6 SECTION 2. 49.155 (1m) (c) 1, (intro.) of the statutes is amended to read:

1 49.155 (1m) (c) 1. (intro.) Except as provided in subds. 1g., 1h., 1m., 2., and 3.,
 2 the gross income of the individual's family is at or below 185% of the poverty line for
 3 a family the size of the individual's family or, for an individual who is already
 4 receiving a child care subsidy under this section, the gross income of the individual's
 5 family is at or below 200% of the poverty line for a family the size of the individual's
 6 family. In calculating the gross income of the family, the Wisconsin works Works
 7 agency shall include court-ordered child or family support payments received by the
 8 individual and income described under s. 49.145 (3) (b) 1. and 3., except that, in
 9 calculating farm and self-employment income, the Wisconsin works Works agency
 10 shall include the sum of the following:

History: 1995 a. 289; 1997 a. 27, s. 1766 to 1773, 1838 to 1857; 1997 a. 41, 105, 237, 252; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25, 165; 2007 a. 20.

11 **SECTION 3.** 49.155 (1m) (c) 1g. of the statutes is amended to read:

12 49.155 (1m) (c) 1g. If the individual is a foster parent of the child or a subsidized
 13 guardian or interim caretaker of the child under s. 48.62 (5), the child's biological or
 14 adoptive family has a gross income that is at or below 200% of the poverty line. In
 15 calculating the gross income of the child's biological or adoptive family, the Wisconsin
 16 works Works agency shall include court-ordered child or family support payments
 17 received by the individual and income described under s. 49.145 (3) (b) 1. and 3.

History: 1995 a. 289; 1997 a. 27, s. 1766 to 1773, 1838 to 1857; 1997 a. 41, 105, 237, 252; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25, 165; 2007 a. 20.

18 **SECTION 4.** 49.155 (1m) (c) 1h. of the statutes is amended to read:

19 49.155 (1m) (c) 1h. If the individual is a relative of the child, is providing care
 20 for the child under a court order, and is receiving payments under s. 48.57 (3m) or
 21 (3n) on behalf of the child, the child's biological or adoptive family has a gross income
 22 that is at or below 200% of the poverty line. In calculating the gross income of the
 23 child's biological or adoptive family, the Wisconsin works Works agency shall include

1 court-ordered child or family support payments received by the individual and
2 income described under s. 49.145 (3) (b) 1. and 3.

3 History: 1995 a. 289; 1997 a. 27, s. 1766 to 1775, 1838 to 1857; 1997 a. 41, 105, 237, 252; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25, 165; 2007 a. 20.

3 **SECTION 5.** 49.155 (3m) (e) of the statutes is created to read:

4 49.155 (3m) (e) The department may establish a tiered reimbursement system
5 under which the department reimburses a child care provider for child care services
6 provided under this section at a rate that is based on the average number of hours
7 of care that an individual needs per week per month.

8 **SECTION 6.** 49.155 (5) of the statutes is renumbered 49.155 (5) (a).

9 **SECTION 7.** 49.155 (5) (b) of the statutes is created to read:

10 49.155 (5) (b) The department may establish a tiered copayment system under
11 which an individual is liable for a percentage of the cost of the child care provided
12 under this section at a rate that is based on the average number of hours of care that
13 the individual needs per week per month and the individual's family size and income,
14 including court-ordered child or family support payments received by the
15 individual.

16 **SECTION 8.** 49.155 (5) (c) of the statutes is created to read:

17 49.155 (5) (c) The individual shall pay the copayment for which he or she is
18 liable to the department for distribution to the child care provider. The department
19 shall contract with a vendor for administration of the copayment collection system.
20 Each copayment remittance shall be accompanied by a statement by the individual
21 indicating the number of hours of child care received and by the individual's signed
22 attestation as to the accuracy of the information provided by the individual.

23 **SECTION 9.** 49.155 (6) (e) of the statutes is created to read:

1 49.155 (6) (e) The department may establish a tiered reimbursement system
 2 under which the department reimburses a child care provider for child care services
 3 provided under this section at a rate that is based on the average number of hours
 4 of care that an individual needs per week per month. (Notwithstanding pars. (a), (b),
 5 and (c), the rate at which a child care provider is reimbursed under a system
 6 established under this paragraph may exceed the maximum reimbursement rate
 7 established under par. (a), (b), or (c).)

8 SECTION 10. 49.175 (1) (intro.) of the statutes is amended to read:

9 49.175 (1) ALLOCATION OF FUNDS. (intro.) Except as provided in sub. (2), within
 10 the limits of the appropriations under s. 20.437 (2) (a), (cm), (dz), (gm), (k), (kx), (L),
 11 (mc), (md), (me), and (s), the department shall allocate the following amounts for the
 12 following purposes:

13 History: 1997 a. 27, 105, 236, 237, 252, 318; 1999 a. 9; 2001 a. 16, 104, 109; 2003 a. 33, 321, 327; 2005 a. 25, 254; 2007 a. 5, 20, 226.

13 **SECTION 9308. Initial applicability; Children and Families.**

14 (1) INCLUDING CHILD SUPPORT IN INCOME . The treatment of section 49.155 (1m)
 15 (c) 1. (intro.), 1g., and 1h. of the statutes first applies to individuals who apply for a
 16 child care subsidy, and to individuals already receiving a child care subsidy whose
 17 eligibility is reviewed, on the effective date of this subsection.

18 (END)

D-note

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

LRB-1193/7dn

PJK:.....

CP
Lbjk

Date

Sarah:

Even though the instructions did not give direction for what exactly was needed in the statutes, I took a stab at some rather general authorization language, rather than specifying all the detail that was given in the issue paper. Since s. 49.155 never has seemed to me to state how the program actually works, I'm not sure if what I have drafted should replace anything in current law or if anything in current law needs to be amended or repealed.

The issue paper mentioned "copayment enforcement through the denial of benefits to families who fail to fulfill this requirement." What benefits would be denied? How would this work?

Should the appropriation that I have created be referenced in s. 49.155 (1g) (a) (intro.) or (b)?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

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

LRB-1193/P1dn
PJK:bjk:rs

December 22, 2008

Sarah:

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Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1193/P1

PJK:bjk/rs

stays - P2
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DOA:.....Grimsrud, BB0268 - Restructuring Wisconsin Shares

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13 guardian or interim caretaker of the child under s. 48.62 (5), the child's biological or
14 adoptive family has a gross income that is at or below 200% of the poverty line. In
15 calculating the gross income of the child's biological or adoptive family, the Wisconsin
16 ~~works~~ Works agency shall include court-ordered child or family support payments
17 received by the individual and income described under s. 49.145 (3) (b) 1. and 3.

18 **SECTION 4.** 49.155 (1m) (c) 1h. of the statutes is amended to read:

19 49.155 (1m) (c) 1h. If the individual is a relative of the child, is providing care
20 for the child under a court order, and is receiving payments under s. 48.57 (3m) or
21 (3n) on behalf of the child, the child's biological or adoptive family has a gross income
22 that is at or below 200% of the poverty line. In calculating the gross income of the
23 child's biological or adoptive family, the Wisconsin ~~works~~ Works agency shall include
24 court-ordered child or family support payments received by the individual and
25 income described under s. 49.145 (3) (b) 1. and 3.

1 **SECTION 5.** 49.155 (3m) (e) of the statutes is created to read:

2 49.155 (3m) (e) The department may establish a tiered reimbursement system
3 under which the department reimburses a child care provider for child care services
4 provided under this section at a rate that is based on the average number of hours
5 of care that an individual needs per week per month.

6 **SECTION 6.** 49.155 (5) of the statutes is renumbered 49.155 (5) (a).

7 **SECTION 7.** 49.155 (5) (b) of the statutes is created to read:

8 49.155 (5) (b) The department may establish a tiered copayment system under
9 which an individual is liable for a percentage of the cost of the child care provided
10 under this section at a rate that is based on the average number of hours of care that
11 the individual needs per week per month and the individual's family size and income,
12 including court-ordered child or family support payments received by the
13 individual.

14 **SECTION 8.** 49.155 (5) (c) of the statutes is created to read:

15 49.155 (5) (c) The individual shall pay the copayment for which he or she is
16 liable to the department for distribution to the child care provider. The department
17 shall contract with a vendor for administration of the copayment collection system.
18 Each copayment remittance shall be accompanied by a statement by the individual
19 indicating the number of hours of child care received and by the individual's signed
20 attestation as to the accuracy of the information provided by the individual.

21 **SECTION 9.** 49.175 (1) (intro.) of the statutes is amended to read:

22 49.175 (1) ALLOCATION OF FUNDS. (intro.) Except as provided in sub. (2), within
23 the limits of the appropriations under s. 20.437 (2) (a), (cm), (dz), (gm), (k), (kx), (L),
24 (mc), (md), (me), and (s), the department shall allocate the following amounts for the
25 following purposes:

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1193/P2ins
PJK:.....

INSERT A

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under W-2 if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria. Individuals receiving a child care subsidy are required to pay a percentage of the cost of care as a copayment.

This bill makes the following changes to the child care subsidy statutes:

1. Requires a W-2 agency to include in income for determining financial eligibility for a child care subsidy court-ordered child or family support received by an applicant or recipient.

2. Authorizes DCF to establish a tiered reimbursement system for reimbursing child care providers for child care services provided to an individual based on the average number of hours of child care that the individual needs per week per month.

3. Authorizes DCF to establish a tiered copayment system that bases the percentage of the cost of care for which an individual is liable on the average number of hours of care that the individual needs per week per month and on the individual's family size and income, including court-ordered child or family support received by the individual.

4. Requires the individual to pay the copayment directly to the child care provider and requires DCF to contract with a vendor for administration of a copayment collection system.

(END OF INSERT A)

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

LRB-1193/P2dn

PJK:.....

Ljk

Date

This redraft adds an analysis. It makes no changes to the statutory provisions.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1193/P2dn
PJK:bjk:rs

January 23, 2009

This redraft adds an analysis. It makes no changes to the statutory provisions.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From: Grimsrud, Sarah - DOA [Sarah.Grimrud@wisconsin.gov]
Sent: Thursday, January 29, 2009 8:03 AM
To: Kahler, Pam
Subject: LRB-1193/P2

After going over the draft of child care savings options, the following sections can be eliminated from this draft:

Section 1
Section 5
Section 6
Section 7
Section 8
Section 9

Can we change Section 9308 so that the effective date is October 1, 2009, or the effective that of the subsection, whichever is later.

Here is some language in case you wanted to cut and paste:

"INCLUDING CHILD SUPPORT IN INCOME. The treatment of section 49.155(1m)(c)1.(intro), 1g., and 1h of the statutes first applies to to eligibility determinations and co-payment determinations occurring on October 1, 2009, or the effective date of this subsection, whichever is later, except that if an individual is already receiving a subsidy under this section on October 1, 2009, the application for continuing eligibility under sub.(1m)(c) applies to calculations made on or after April 1, 2010 of whether or not the individuals family is at or below 200% of the poverty line for the individuals family size."

Those are the only changes to this draft.

Sarah

Sarah E. Grimsrud
Executive Policy & Budget Analyst
State Budget Office
Division of Executive Budget & Finance
Wisconsin Department of Administration
(608) 266-2288



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1193/E2

PJK:bjk:rs

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DOA:.....Grimsrud, BB0268 - Restructuring Wisconsin Shares

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

SA - Insert

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1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under W-2 if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria. Individuals receiving a child care subsidy are required to pay a percentage of the cost of care as a copayment.

copayment amounts and

> W0910

This bill makes the following changes to the child care subsidy statutes:

1. Requires a W-2 agency to include in income for determining financial eligibility for a child care subsidy court-ordered child or family support received by an applicant or recipient.

2. Authorizes DCF to establish a tiered reimbursement system for reimbursing child care providers for child care services provided to an individual based on the average number of hours of child care that the individual needs per week per month.

3. Authorizes DCF to establish a tiered copayment system that bases the percentage of the cost of care for which an individual is liable on the average number of hours of care that the individual needs per week per month and on the individual's

family size and income, including court-ordered child or family support received by the individual.

4. Requires the individual to pay the copayment directly to the child care provider and requires DCF to contract with a vendor for administration of a copayment collection system.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.437 (2) (gm) of the statutes is created to read:

20.437 (2) (gm) *Wisconsin Works; child care copayments.* All moneys received under s. 49.155 (5) (c) to be used for administration of the Wisconsin Works program and for the child care subsidy program under s. 49.155.

SECTION 2. 49.155 (1m) (c) 1. (intro.) of the statutes is amended to read:

49.155 (1m) (c) 1. (intro.) Except as provided in subds. 1g., 1h., 1m., 2., and 3., the gross income of the individual's family is at or below 185% of the poverty line for a family the size of the individual's family or, for an individual who is already receiving a child care subsidy under this section, the gross income of the individual's family is at or below 200% of the poverty line for a family the size of the individual's family. In calculating the gross income of the family, the Wisconsin works Works agency shall include court-ordered child or family support payments received by the individual and income described under s. 49.145 (3) (b) 1. and 3., except that, in calculating farm and self-employment income, the Wisconsin works Works agency shall include the sum of the following:

SECTION 3. 49.155 (1m) (c) 1g. of the statutes is amended to read:

49.155 (1m) (c) 1g. If the individual is a foster parent of the child or a subsidized guardian or interim caretaker of the child under s. 48.62 (5), the child's biological or

1 adoptive family has a gross income that is at or below 200% of the poverty line. In
2 calculating the gross income of the child's biological or adoptive family, the Wisconsin
3 works Works agency shall include court-ordered child or family support payments
4 received by the individual and income described under s. 49.145 (3) (b) 1. and 3.

5 **SECTION 4.** 49.155 (1m) (c) 1h. of the statutes is amended to read:

6 49.155 (1m) (c) 1h. If the individual is a relative of the child, is providing care
7 for the child under a court order, and is receiving payments under s. 48.57 (3m) or
8 (3n) on behalf of the child, the child's biological or adoptive family has a gross income
9 that is at or below 200% of the poverty line. In calculating the gross income of the
10 child's biological or adoptive family, the Wisconsin works Works agency shall include
11 court-ordered child or family support payments received by the individual and
12 income described under s. 49.145 (3) (b) 1. and 3.

13 **SECTION 5.** 49.155 (3m) (e) of the statutes is created to read:

14 49.155 (3m) (e) The department may establish a tiered reimbursement system
15 under which the department reimburses a child care provider for child care services
16 provided under this section at a rate that is based on the average number of hours
17 of care that an individual needs per week per month.

18 **SECTION 6.** 49.155 (5) of the statutes is renumbered 49.155 (5) (a).

19 **SECTION 7.** 49.155 (5) (b) of the statutes is created to read:

20 49.155 (5) (b) The department may establish a tiered copayment system under
21 which an individual is liable for a percentage of the cost of the child care provided
22 under this section at a rate that is based on the average number of hours of care that
23 the individual needs per week per month and the individual's family size and income,
24 including court-ordered child or family support payments received by the
25 individual.

SECTION 8. 49.155 (5) (c) of the statutes is created to read:

49.155 (5) (c) The individual shall pay the copayment for which he or she is liable to the department for distribution to the child care provider. The department shall contract with a vendor for administration of the copayment collection system. Each copayment remittance shall be accompanied by a statement by the individual indicating the number of hours of child care received and by the individual's signed attestation as to the accuracy of the information provided by the individual.

SECTION 9. 49.175 (1) (intro.) of the statutes is amended to read:

49.175 (1) ALLOCATION OF FUNDS. (intro.) Except as provided in sub. (2), within the limits of the appropriations under s. 20.437 (2) (a), (cm), (dz), (gm), (k), (kx), (L), (mc), (md), (me), and (s), the department shall allocate the following amounts for the following purposes:

SECTION 9308. Initial applicability; Children and Families.

(1) INCLUDING CHILD SUPPORT IN INCOME. The treatment of section 49.155 (1m) (c) 1. (intro.), 1g., and 1h. of the statutes first applies to individuals who apply for a child care subsidy, and to individuals already receiving a child care subsidy whose eligibility is reviewed, on the effective date of this subsection.

(END)

Insert 4-17

INSERT 4-17

1

SECTION 9308. Initial applicability; Children and Families.

2

(1) INCLUDING CHILD SUPPORT IN INCOME. The treatment of section 49.155 (1m)

3

(c) 1. (intro.), 1g., and 1h. of the statutes first applies to all of the following:

4

(a) Initial eligibility determinations and copayment determinations made on

5

October 1, 2009, or on the effective date of this paragraph, whichever is later.

6

(b) For individuals who, on October 1, 2009, or the effective date of this

7

paragraph, whichever is later, are already receiving a child care subsidy under

8

section 49.155 of the statutes, as affected by this act, continued eligibility

9

determinations made on April 1, 2010.

(END OF INSERT 4-17)



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1193/1

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DOA:.....Grimsrud, BB0268 - Restructuring Wisconsin Shares

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

D-note

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1 AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under W-2 if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria. Individuals receiving a child care subsidy are required to pay a percentage of the cost of care as a copayment. This bill requires a W-2 agency to include in income for determining copayment amounts and financial eligibility for a child care subsidy court-ordered child or family support received by an applicant or recipient.

be included

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 49.155 (1m) (c) 1. (intro.) of the statutes is amended to read:

1 49.155 (1m) (c) 1. (intro.) Except as provided in subs. 1g., 1h., 1m., 2., and 3.,
 2 the gross income of the individual's family is at or below 185% of the poverty line for
 3 a family the size of the individual's family or, for an individual who is already
 4 receiving a child care subsidy under this section, the gross income of the individual's
 5 family is at or below 200% of the poverty line for a family the size of the individual's
 6 family. In calculating the gross income of the family, the ~~Wisconsin works~~ Works
 7 agency shall include court-ordered child or family support payments received by the
 8 individual and income described under s. 49.145 (3) (b) 1. and 3., except that, in
 9 calculating farm and self-employment income, the ~~Wisconsin works~~ Works agency
 10 shall include the sum of the following:

11 **SECTION 2.** 49.155 (1m) (c) 1g. of the statutes is amended to read:

12 49.155 (1m) (c) 1g. If the individual is a foster parent of the child or a subsidized
 13 guardian or interim caretaker of the child under s. 48.62 (5), the child's biological or
 14 adoptive family has a gross income that is at or below 200% of the poverty line. In
 15 calculating the gross income of the child's biological or adoptive family, the ~~Wisconsin~~
 16 works Works agency shall include court-ordered child or family support payments
 17 received by the individual and income described under s. 49.145 (3) (b) 1. and 3.

18 **SECTION 3.** 49.155 (1m) (c) 1h. of the statutes is amended to read:

19 49.155 (1m) (c) 1h. If the individual is a relative of the child, is providing care
 20 for the child under a court order, and is receiving payments under s. 48.57 (3m) or
 21 (3n) on behalf of the child, the child's biological or adoptive family has a gross income
 22 that is at or below 200% of the poverty line. In calculating the gross income of the
 23 child's biological or adoptive family, the ~~Wisconsin works~~ Works agency shall include
 24 court-ordered child or family support payments received by the individual and
 25 income described under s. 49.145 (3) (b) 1. and 3.

county department or agency determining eligibility

Insert 2-25 →

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1193/2ins
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INSERT 2-25

****NOTE: This is reconciled s. 49.155 (1m) (c) 1. (intro.), 1g., and 1h. These
SECTIONS have been affected by drafts with the following LRB numbers: LRB-1193 and
LRB-1389.

(END OF INSERT 2-25)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1193/2dn

PJK:|:....

nwn

Date

Sarah:

This redraft includes the treatment of s. 49.155 (1m) (c) 1. (intro.), 1g., and 1h. from LRB-1389 to reconcile LRB-1193 and LRB-1389. Both of these drafts should continue to appear in the compiled bill.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

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

LRB-1193/2dn
PJK:nwn:ph

January 30, 2009

Sarah:

This redraft includes the treatment of s. 49.155 (1m) (c) 1. (intro.), 1g., and 1h. from LRB-1389 to reconcile LRB-1193 and LRB-1389. Both of these drafts should continue to appear in the compiled bill.

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State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1193/2
PJK:bjk&nwn:ph

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DOA:.....Grimsrud, BB0268 - Restructuring Wisconsin Shares

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under W-2 if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria. Individuals receiving a child care subsidy are required to pay a percentage of the cost of care as a copayment. This bill requires court-ordered child or family support received by an applicant or recipient to be included in income for determining copayment amounts and financial eligibility for a child care subsidy.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2

SECTION 1. 49.155 (1m) (c) 1. (intro.) of the statutes is amended to read:

auto ref A

1 49.155 (1m) (c) 1. (intro.) Except as provided in subds. 1g., 1h., 1m., 2., and 3.,
2 the gross income of the individual's family is at or below 185% of the poverty line for
3 a family the size of the individual's family or, for an individual who is already
4 receiving a child care subsidy under this section, the gross income of the individual's
5 family is at or below 200% of the poverty line for a family the size of the individual's
6 family. In calculating the gross income of the family, the ~~Wisconsin works agency~~
7 county department or agency determining eligibility shall include court-ordered
8 child or family support payments received by the individual and income described
9 under s. 49.145 (3) (b) 1. and 3., except that, in calculating farm and self-employment
10 income, the ~~Wisconsin works agency~~ county department or agency determining
11 eligibility shall include the sum of the following:

12 **SECTION 2.** 49.155 (1m) (c) 1g. of the statutes is amended to read:

13 49.155 (1m) (c) 1g. If the individual is a foster parent of the child or a subsidized
14 guardian or interim caretaker of the child under s. 48.62 (5), the child's biological or
15 adoptive family has a gross income that is at or below 200% of the poverty line. In
16 calculating the gross income of the child's biological or adoptive family, the ~~Wisconsin~~
17 ~~works agency~~ county department or agency determining eligibility shall include
18 court-ordered child or family support payments received by the individual and
19 income described under s. 49.145 (3) (b) 1. and 3.

20 ^{auto ref B}
SECTION 3. 49.155 (1m) (c) 1h. of the statutes is amended to read:

21 49.155 (1m) (c) 1h. If the individual is a relative of the child, is providing care
22 for the child under a court order, and is receiving payments under s. 48.57 (3m) or
23 (3n) on behalf of the child, the child's biological or adoptive family has a gross income
24 that is at or below 200% of the poverty line. In calculating the gross income of the
25 child's biological or adoptive family, the ~~Wisconsin works agency~~ county department

1 or agency determining eligibility shall include court-ordered child or family support
2 payments received by the individual and income described under s. 49.145 (3) (b) 1.
3 and 3.

****NOTE: This is reconciled s. 49.155 (1m) (c) 1. (intro.), 1g., and 1h. These SECTIONS have been affected by drafts with the following LRB numbers: LRB-1193 and LRB-1389.

4 **SECTION 9308. Initial applicability; Children and Families.**

5 (1) INCLUDING CHILD SUPPORT IN INCOME. The treatment of section 49.155 (1m)

6 (c) 1. (intro.) (with respect to including child or family support in income), 1g. (with
7 respect to including child or family support in income), and 1h. (with respect to
8 including child or family support in income) of the statutes first applies to all of the
9 following:

10 (a) Initial eligibility determinations and copayment determinations made on
11 October 1, 2009, or on the effective date of this paragraph, whichever is later.

12 (b) For individuals who, on October 1, 2009, or the effective date of this
13 paragraph, whichever is later, are already receiving a child care subsidy under
14 section 49.155 of the statutes, as affected by this act, continued eligibility
15 determinations made on April 1, 2010.

16 (END)

(by SECTION 1)
↑
auto ref A

(by SECTION 3)
↑
auto ref B

D - note

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

LRB-1193/2dn
PJK:nwn:ph

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January 30, 2009

e Date

Sarah:

This redraft includes the treatment of s. 49.155 (1m) (c) 1. (intro.), 1g., and 1h. from LRB-1389 to reconcile LRB-1193 and LRB-1389. Both of these drafts should continue to appear in the compiled bill.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

In this draft I added the SECTIONS ^(CS) treating s. 49.155 (1m) (c) 1 (intro) and 1h to the initial applicability provision.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1193/3dn
PJK:bjk:rs

February 9, 2009

Sarah:

This redraft includes the treatment of s. 49.155 (1m) (c) 1. (intro.), 1g., and 1h. from LRB-1389 to reconcile LRB-1193 and LRB-1389. Both of these drafts should continue to appear in the compiled bill.

In this draft I added the SECTIONS treating s. 49.155 (1m) (c) 1. (intro.) and 1h. to the initial applicability provision.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1193/3
PJK:hjk&nwn:rs

DOA:.....Grimsrud, BB0268 - Restructuring Wisconsin Shares

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT** ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under W-2 if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria. Individuals receiving a child care subsidy are required to pay a percentage of the cost of care as a copayment. This bill requires court-ordered child or family support received by an applicant or recipient to be included in income for determining copayment amounts and financial eligibility for a child care subsidy.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 49.155 (1m) (c) 1. (intro.) of the statutes is amended to read:

1 49.155 (1m) (c) 1. (intro.) Except as provided in subds. 1g., 1h., 1m., 2., and 3.,
2 the gross income of the individual's family is at or below 185% of the poverty line for
3 a family the size of the individual's family or, for an individual who is already
4 receiving a child care subsidy under this section, the gross income of the individual's
5 family is at or below 200% of the poverty line for a family the size of the individual's
6 family. In calculating the gross income of the family, the ~~Wisconsin works agency~~
7 county department or agency determining eligibility shall include court-ordered
8 child or family support payments received by the individual and income described
9 under s. 49.145 (3) (b) 1. and 3., except that, in calculating farm and self-employment
10 income, the ~~Wisconsin works agency~~ county department or agency determining
11 eligibility shall include the sum of the following:

12 **SECTION 2.** 49.155 (1m) (c) 1g. of the statutes is amended to read:

13 49.155 (1m) (c) 1g. If the individual is a foster parent of the child or a subsidized
14 guardian or interim caretaker of the child under s. 48.62 (5), the child's biological or
15 adoptive family has a gross income that is at or below 200% of the poverty line. In
16 calculating the gross income of the child's biological or adoptive family, the ~~Wisconsin~~
17 ~~works agency~~ county department or agency determining eligibility shall include
18 court-ordered child or family support payments received by the individual and
19 income described under s. 49.145 (3) (b) 1. and 3.

20 **SECTION 3.** 49.155 (1m) (c) 1h. of the statutes is amended to read:

21 49.155 (1m) (c) 1h. If the individual is a relative of the child, is providing care
22 for the child under a court order, and is receiving payments under s. 48.57 (3m) or
23 (3n) on behalf of the child, the child's biological or adoptive family has a gross income
24 that is at or below 200% of the poverty line. In calculating the gross income of the
25 child's biological or adoptive family, the ~~Wisconsin works agency~~ county department

1 or agency determining eligibility shall include court-ordered child or family support
2 payments received by the individual and income described under s. 49.145 (3) (b) 1.
3 and 3.

****NOTE: This is reconciled s. 49.155 (1m) (c) 1. (intro.), 1g., and 1h. These
SECTIONS have been affected by drafts with the following LRB numbers: LRB-1193 and
LRB-1389.

4 **SECTION 9308. Initial applicability; Children and Families.**

5 (1) INCLUDING CHILD SUPPORT IN INCOME. The treatment of section 49.155 (1m)
6 (c) 1. (intro.) (by SECTION 1) (with respect to including child or family support in
7 income), 1g. (with respect to including child or family support in income), and 1h. (by
8 SECTION 3) (with respect to including child or family support in income) of the
9 statutes first applies to all of the following:

10 (a) Initial eligibility determinations and copayment determinations made on
11 October 1, 2009, or on the effective date of this paragraph, whichever is later.

12 (b) For individuals who, on October 1, 2009, or the effective date of this
13 paragraph, whichever is later, are already receiving a child care subsidy under
14 section 49.155 of the statutes, as affected by this act, continued eligibility
15 determinations made on April 1, 2010.

16

(END)