

CR 94-91

CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES)

I, Gerald Whitburn, Secretary of the Department of Health and Social Services and custodian of the official records of the Department, do hereby certify that the annexed rules relating to special resource account and vehicle asset limit demonstration projects under the Aid to Families with Dependent Children (AFDC) program were duly approved and adopted by this Department on December 28, 1994.

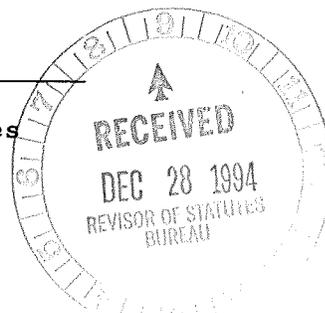
I further certify that this copy has been compared by me with the original on file in the Department and that this copy is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at the State Office Building, 1 W. Wilson Street, in the city of Madison, this 28th day of December, 1994.

SEAL:

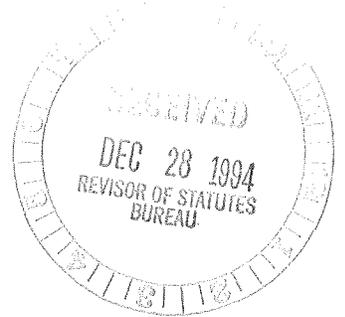


Gerald Whitburn, Secretary
Department of Health and Social Services



3-1-95

ORDER OF THE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
AMENDING AND CREATING RULES



To amend HSS 201.27(1) and (2)(a) and to create HSS 201.27(1m) and (2)(am), relating to the special resource account and vehicle asset limit demonstration projects under the Aid to Families with Dependent Children (AFDC) program.

Analysis Prepared by the Department of Health and Social Services

To be eligible for the Aid to Families with Dependent Children (AFDC) program an AFDC group, that is, those individuals whose financial eligibility for AFDC is determined together, must meet specified financial eligibility requirements. For example, an AFDC group may not have more than \$1,000 in total countable assets. Examples of countable assets include money in checking and savings accounts and the cash value of life insurance, stocks and bonds. The value of a home and up to \$1,500 of the equity value of one motor vehicle are not counted in determining total countable assets.

The Department has received approval from the federal Department of Health and Human Services to implement two demonstration projects, the AFDC Special Resource Account Demonstration project and the Vehicle Asset Limit Demonstration project, statewide, beginning January 1, 1995. Participants in these two demonstration projects will be allowed to have more assets than is allowed under regular AFDC rules to determine whether or not allowing these increased assets will reduce welfare dependency among these families by encouraging employment and education.

Recipients participating in the AFDC Special Resource Account Demonstration project will be encouraged to take charge of their own lives and the future of their children by being allowed to have assets, restricted to assets intended to support educational advancement or improve employability, exempted from the AFDC eligibility determination. The first \$10,000 contained in a special resource account, also called an education and employability account, will not be counted in determining financial eligibility for an AFDC group which has been determined eligible for AFDC and has been assigned to this demonstration project.

AFDC groups participating in the Vehicle Asset Limit Demonstration project will be allowed to own more reliable transportation that is less expensive to operate and maintain, thus improving their ability to transport their children to child care and to get to work and training. Up to \$2,500 of the combined equity value of the motor vehicles owned by an AFDC group participating in this demonstration project may be exempt.

The Department will randomly assign all AFDC cases to one of the two demonstration groups or to a control group. Eligibility for one-third of the AFDC caseload will be determined under rules of the Special Resource Account Demonstration project and one-third of the AFDC caseload will have eligibility determined under the rules of the Vehicle Asset Limit Demonstration project. The remaining one-third of the AFDC caseload will act as the control group for these two demonstration projects. The control group will have eligibility determined according to regular AFDC criteria.

The proposed rules relating to the Special Resource Account Demonstration project identify the conditions under which education and employability accounts will be considered exempt assets and for what purposes monies held in education and employability accounts may be used. The proposed rules relating to the Vehicle Asset Limit Demonstration project describe the increased vehicle asset amount allowed for an AFDC group participating in this demonstration project. The rules also describe the method the Department will use in assigning an AFDC group to a demonstration or control group for purposes of the demonstration projects.

The Department's authority to amend and create these rules is found in s.49.19(4)(bu)1, Stats., as created by 1993 Wisconsin Act 16 and s.49.50(2), Stats. The rules interpret s.49.19(4)(bu)1, Stats., as created by 1993 Wisconsin Act 16 and s.49.19(4)(by), Stats.

SECTION 1. HSS 201.27(1) is amended to read:

HSS 201.27(1) ~~The Except as provided in sub. (1m), the total nonexempt assets of the AFDC group may not exceed \$1,000. If the nonexempt assets exceed \$1,000, the primary person, the primary person's spouse and any children for whom they are both legally responsible shall not be eligible. If there is a child in the AFDC group who is not the legal responsibility of the primary person or primary person's spouse, the child's financial eligibility shall be determined under s.HSS 201.31.~~

SECTION 2. HSS 201.27(1m) is created to read:

HSS 201.27(1m) (a) Definitions. In this subsection:

1. "Child" means a natural or legally adopted child or a step-child, or a child living with a caretaker relative other than a legally responsible relative.

2. "Emergency needs" means a need for medical care not included as a covered service under the medical assistance program under s.49.46 or 49.47, Stats., a threat of homelessness as verified by the agency with the recipient's landlord or other

2. An AFDC group member assigned to the demonstration group may not be an owner of an education and employability account with an individual who is not included in the AFDC group unless that individual is:

a. A parent or other caretaker relative who lives in the same household as the recipient but is not included in the AFDC group because he or she is nonfinancially ineligible; or

b. A caretaker relative who is not a legally responsible relative and who lives in the same household as the recipient.

3. Interest earned on the account established under subd. 1.a. and retained in the account or withdrawn for an approved purpose as defined under par. (d) is not considered income for purposes of s.HSS 201.28.

(d) Treatment of funds withdrawn from an education and employability account. The agency shall consider money withdrawn from an education and employability account as income in the month in which it is withdrawn unless it is used for one of the following purposes:

1. The recipient's own education or training or the education or training of a child, including:

a. His or her own education at an academic college or university or at a technical college or other vocational training program approved by the agency;

b. The education of a child at a public or private pre-school, elementary, middle or high school, at an academic college or university or at a technical college or other vocational training program approved by the agency; and

c. Expenditures related to attending education or training, including the cost of housing, tuition and mandatory fees, books and school supplies, purchase of equipment related to the course of study, transportation and child care necessary for the recipient or the child to attend education or training when the expenses are not covered by another funding source;

2. Improving the employability of a member of the family. The agency may approve expenditures related to improving the employability of a member of the family that are reasonable, necessary and directly related to a recipient accepting or maintaining employment and that are for services that are included as approvable services under the department's JOBS program supportive services state plan required under 45 CFR 255.1; or

3. Emergency needs of the recipient or a member of his or her family as determined by the agency. An AFDC group may not use more than \$200 every 12 months for emergency needs.

(e) Assignment to the demonstration group. The department shall randomly assign an AFDC group to either a demonstration group or a control group through the automated eligibility determination system so that one-third of the AFDC cases, but no AFDC case participating in the vehicle asset limit demonstration project under sub. (2)(am), are participating in the special resource account demonstration project.

SECTION 3. HSS 201.27(2)(a) is amended to read:

HSS 201.27(2)(a) ~~Up~~ Except as provided in par. (am), up to \$1,500 of the equity value of one motor vehicle used to provide transportation of persons or goods shall be exempt. If more than one vehicle is owned, up to \$1,500 of equity value from the vehicle with the greatest equity shall be exempt. The equity value of any other vehicle shall be counted as an asset. Any amount of equity value in excess of \$1,500 shall be counted toward the asset limit in sub. (1). In this paragraph, "equity value" means the wholesale value as given in a standard guide on motor vehicle values or the value as estimated by a sales representative at a local car dealership minus any encumbrances which are legally debts.

SECTION 4. HSS 201.27(2)(am) is created to read:

HSS 201.27(2)(am)1. For an AFDC group participating in the vehicle asset limit demonstration project under s.49.19(4)(by), Stats., up to \$2,500 of the combined equity value of the motor vehicles owned by the group and used to provide transportation of persons or goods shall be exempt. Any amount of equity value in excess of \$2,500 shall be counted toward the asset limit in sub. (1). Equity value has the meaning prescribed in par. (a).

2. The department shall randomly assign an AFDC group to a demonstration group or a control group through the automated eligibility determination system so that one-third of the AFDC cases, but no AFDC case participating in the special resource account demonstration project under sub. (1m), are participating in the vehicle asset limit demonstration project.

The rules contained in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s.227.22(2), Stats.

Wisconsin Department of Health
and Social Services

Dated: December 28, 1994

By: 
Gerald Whitburn
Secretary

SEAL:

