

1 **SECTION 1254.** 49.155 (1m) (c) 1. of the statutes is renumbered 49.155 (1m) (c)
2 1. (intro.) and amended to read:

3 49.155 (1m) (c) 1. (intro.) The gross income of the individual's family is at or
4 below ~~165%~~ 185% of the poverty line for a family the size of the individual's family
5 or, for an individual who is already receiving a child care subsidy under this section,
6 the gross income of the individual's family is at or below 200% of the poverty line for
7 a family the size of the individual's family. In calculating the gross income of the
8 family, the Wisconsin works agency shall include income described under s. 49.145
9 (3) (b) 1. ~~to and 3., except that, in calculating farm and self-employment income, the~~
10 Wisconsin works agency shall include the sum of the following:

11 **SECTION 1255.** 49.155 (1m) (c) 1. a. of the statutes is created to read:

12 49.155 (1m) (c) 1. a. Net earnings reported to the Internal Revenue Service.

13 **SECTION 1256.** 49.155 (1m) (c) 1. b. of the statutes is created to read:

14 49.155 (1m) (c) 1. b. Depreciation expenses, personal business and
15 entertainment expenses, personal transportation costs, purchases of capital
16 equipment and payments on the principal of loans.

17 **SECTION 1257.** 49.155 (1m) (c) 1g. of the statutes is amended to read:

18 49.155 (1m) (c) 1g. The individual is a foster parent of the child and the child's
19 biological or adoptive family ~~meets the asset limit under s. 49.145 (3) (a) and has a~~
20 gross income that is at or below 200% of the poverty line. In calculating the gross
21 income of the child's biological or adoptive family, the Wisconsin works agency shall
22 include income described under s. 49.145 (3) (b) 1. ~~to~~ and 3.

23 **SECTION 1258.** 49.155 (1m) (c) 1h. of the statutes is amended to read:

24 49.155 (1m) (c) 1h. The individual is a relative of the child, is providing care
25 for the child under a court order and is receiving payments under s. 48.57 (3m) on

1 behalf of the child and the child's biological or adoptive family ~~meets the asset limit~~
2 ~~under s. 49.145 (3) (a) and~~ has a gross income that is at or below 200% of the poverty
3 line. In calculating the gross income of the child's biological or adoptive family, the
4 Wisconsin works agency shall include income described under s. 49.145 (3) (b) 1. ~~to~~
5 and 3.

6 **SECTION 1259.** 49.155 (1m) (c) 3. of the statutes is amended to read:

7 49.155 (1m) (c) 3. The individual was eligible for a child care subsidy under s.
8 49.191 (2), 1997 stats., on or after May 10, 1996, and received a child care subsidy
9 on or after May 10, 1996, but lost the subsidy solely because of increased income, and
10 the gross income of the individual's family is at or below 200% of the poverty line for
11 a family the size of the individual's family. This subdivision does not apply to an
12 individual whose family's gross income increased to more than 200% of the poverty
13 line for a family the size of the individual's family.

14 **SECTION 1265.** 49.155 (3m) (b) of the statutes is renumbered 49.155 (3m) (b)
15 (intro.) and amended to read:

16 49.155 (3m) (b) ~~Not more than 5%, or \$20,000, whichever is greater, of~~ Of the
17 funds distributed under par. (a) not more than the greatest of the following may be
18 used for the costs of administering the program under this section.:

19 **SECTION 1266.** 49.155 (3m) (b) 1. of the statutes is created to read:

20 49.155 (3m) (b) 1. Five percent of the funds distributed under par. (a) in the
21 current year.

22 **SECTION 1267.** 49.155 (3m) (b) 2. of the statutes is created to read:

23 49.155 (3m) (b) 2. Five percent of the funds distributed under par. (a) in the
24 immediately preceding year.

25 **SECTION 1268.** 49.155 (3m) (b) 3. of the statutes is created to read:

1 49.155 (3m) (b) 3. Twenty thousand dollars.

2 **SECTION 1270p.** 49.155 (5) of the statutes is amended to read:

3 49.155 (5) LIABILITY FOR PAYMENT. An individual is liable for the percentage of
4 the cost of the child care ~~that the department specified by the department in a printed~~
5 copayment schedule. An individual who is under the age of 20 and is attending high
6 school or participating in a course of study meeting the standards established under
7 s. 115.29 (4) for the granting of a declaration of equivalency to high school graduation
8 may not be determined liable for more than the minimum copayment amount for the
9 type of child care received and the number of children receiving child care.

10 **SECTION 1275.** 49.161 (1) of the statutes, as affected by 1997 Wisconsin Act 27,
11 is amended to read:

12 49.161 (1) ~~TRIAL JOBS AND WAGE-PAYING COMMUNITY SERVICE JOBS OVERPAYMENTS.~~
13 Notwithstanding s. 49.96, the department shall recover an overpayment of benefits
14 paid under s. 49.148 (1) (a) ~~and (b) 2.~~ from an individual who receives ~~or has received~~
15 benefits paid under s. 49.148 (1) (a) ~~or (b) 2.~~ The value of the benefit liable for
16 recovery under this subsection may not exceed the amount that the department paid
17 in wage subsidies with respect to that participant while the participant was
18 ineligible to participate. The department shall promulgate rules establishing
19 policies and procedures for administrating this subsection.

20 **SECTION 1276.** 49.161 (2) of the statutes, as affected by 1997 Wisconsin Act 27,
21 is amended to read:

22 49.161 (2) ~~GRANT-PAYING COMMUNITY~~ COMMUNITY SERVICE JOBS AND TRANSITIONAL
23 PLACEMENTS OVERPAYMENTS. Except as provided in sub. (3), the department shall
24 recover an overpayment of benefits paid under s. 49.148 (1) (b) 1. ~~and (c)~~ from an

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1 individual who continues to receive benefits under s. 49.148 (1) (b) 4- and (c) by
2 reducing the amount of the individual's benefit payment by no more than 10%.

3 **SECTION 1276f.** 49.1635 of the statutes is created to read:

4 **49.1635 Wisconsin Trust Account Foundation.** (1) To the extent
5 permitted under federal law and subject to sub. (2), from the appropriation under s.
6 20.445 (3) (md) the department shall distribute to the Wisconsin Trust Account
7 Foundation an amount equal to the amount received by the foundation from private
8 donations, but not to exceed \$100,000 in each fiscal year. Except as provided in sub.
9 (4), funds distributed under this subsection may be used only for the provision of
10 legal services to individuals who are eligible for temporary assistance for needy
11 families under 42 USC 601 et seq. and whose incomes are at or below 200% of the
12 poverty line.

13 (2) The department may not distribute funds under sub. (1) until the Wisconsin
14 Trust Account Foundation reports to the department the amount received by the
15 Wisconsin Trust Account Foundation in private donations.

16 (3) If the Wisconsin Trust Account Foundation receives funds under sub. (1),
17 it shall do all of the following:

18 (a) Develop a separate account for the funds distributed under sub. (1).

19 (b) Require each organization to which the Wisconsin Trust Account
20 Foundation distributes funds received under sub. (1) to match 100% of the amount
21 distributed to that organization that is attributable to the funds received by the
22 Wisconsin Trust Account Foundation under sub. (1).

23 (c) Annually, prepare a report for distribution to the joint committee on finance
24 that specifies the organizations that received funding under this section.

1 (4) Not more than 10% of the total funds received by the Wisconsin Trust
2 Account Foundation may be used for administration.

3 **SECTION 1277.** 49.167 of the statutes is created to read:

4 **49.167 Alcohol and other drug abuse treatment grant program.** (1) The
5 department shall award grants to counties, tribal governing bodies and private
6 entities to provide community-based alcohol and other drug abuse treatment
7 programs that are targeted at individuals who have a family income of not more than
8 200% of the poverty line and who are eligible for temporary assistance for needy
9 families under 42 USC 601 et seq. and that do all of the following:

10 (a) Meet the special needs of low-income persons with problems resulting from
11 alcohol or other drug abuse.

12 (b) Emphasize parent education, vocational and housing assistance and
13 coordination with other community programs and with treatment under intensive
14 care.

15 (2) The department shall do all of the following with respect to the grants under
16 par. (a):

17 (a) Award the grants in accordance with the department's
18 request-for-proposal procedures.

19 (b) Ensure that the grants are distributed in both urban and rural
20 communities.

21 (c) Evaluate the programs under the grants by use of client-outcome
22 measurements that the department develops.

23 (3) The department shall coordinate the grant program under this section with
24 any similar grant program administered by the department of health and family
25 services.

1 **SECTION 1277g.** 49.169 of the statutes is created to read:

2 **49.169 Family literacy grants.** (1) In this section, “family literacy training”
3 means literacy training that focuses on interactive literacy activities between
4 parents and their children and that aims at improving the literacy skills of both
5 parents and their children.

6 (2) The department shall award not more than \$1,404,100 in grants to
7 qualified applicants for the provision of family literacy training to individuals who
8 are eligible for temporary assistance for needy families under 42 USC 601 et. seq.

9 (3) To qualify for a grant under sub. (2), the applicant must be an organization
10 that has a demonstrated history of providing literacy training to adults and children
11 and must fulfill any other criteria developed under sub. (4).

12 (4) The department, in consultation with the technical college system board,
13 the department of public instruction and the governor’s office, shall develop written
14 criteria to be used to evaluate the grant proposals and to allocate the grants under
15 this section among the successful grant applicants.

16 (5) The department shall require grant recipients to coordinate with the
17 appropriate Wisconsin works agencies to ensure that those participants in Wisconsin
18 works who are served by those Wisconsin works agencies and who need family
19 literacy training receive adequate family literacy training.

20 **SECTION 1277v.** 49.173 of the statutes is created to read:

21 **49.173 Workforce attachment.** (1) The department shall distribute funds
22 to Wisconsin works agencies and to local workforce development boards established
23 under 29 USC 2832 to provide all of the following:

- 24 (a) Job readiness training and job placement services to unemployed persons.
25 (b) Basic job skills development to unemployed or recently employed persons.

to any person who is eligible for the federal temporary
assistance to needy families program under
42 USC 601 et. seq.

1 (c) Services to assist recently employed persons with job retention.

2 (d) Incumbent worker training to promote job advancement and increased
3 earnings.

4 (e) Services to employers to assist them in retaining workers and providing
5 workers with position advancement.

6 (2) (a) The department shall allocate a portion of the amount to be distributed
7 under sub. (1) and shall distribute that portion in equal amounts among all of the
8 Wisconsin works agencies.

9 (b) The department shall distribute the amount that remains after the
10 distribution under par. (a) to each Wisconsin works agency and local workforce
11 development board based on the criteria specified in sub. (3).

12 (3) (a) The department shall allocate and distribute funds under sub. (2) (b) to
13 Wisconsin works agencies based on the number of persons in all of the following case
14 categories served by that Wisconsin works agency:

- 15 1. Case management.
- 16 2. Food stamp employment and training.
- 17 3. Diversion, as defined by the department.
- 18 4. Noncustodial parents.
- 19 5. Child care.

20 (b) The department shall allocate and distribute to each local workforce
21 development board funds under sub. (2) (b) based on a formula that takes into
22 account all of the following:

- 23 1. The percentage of the population of the area served by the local board with
24 an income at or below 200% of the poverty line.
- 25 2. Labor force participation.

1 3. The unemployment rate of the area served by the local board.

2 (4) The department shall require recipients of the funds distributed under this
3 section to meet performance standards that are based on employment placement for
4 unemployed persons, job retention rates of the persons served by the fund recipients,
5 increased earnings of the persons served by the fund recipients, and increased child
6 support collections for noncustodial parents served by the fund recipients.

7 **SECTION 1278g.** 49.175 of the statutes, as affected by 1997 Wisconsin Act 27,
8 is repealed and recreated to read:

9 **49.175 Public assistance and local assistance allocations. (1)**

10 **ALLOCATION OF FUNDS.** Within the limits of the appropriations under s. 20.445 (3) (a),
11 (br), (cm), (dc), (dz), (e), (em), (jL), (k), (L), (Lm), (mc), (md), (nL), (pm) and (ps), the
12 department shall allocate the following amounts for the following purposes:

13 (a) *Wisconsin works benefits.* For Wisconsin works benefits provided under
14 contracts having a term that begins on January 1, 2000, and ends on December 31,
15 2001, \$24,649,800 in fiscal year 1999–2000 and \$49,309,600 in fiscal year 2000–01.

16 (b) *Wisconsin works administration and ancillary services.* For administration
17 of Wisconsin works and program services under Wisconsin works performed under
18 contracts under s. 49.143 having a term that begins on January 1, 2000, and ends
19 on December 31, 2001, \$64,216,800 in fiscal year 1999–2000 and \$128,433,800 in
20 fiscal year 2000–01.

21 (c) *Performance bonuses.* For performance bonuses to Wisconsin works
22 agencies that have entered into contracts under s. 49.143 having a term that begins
23 on January 1, 2000, and that ends on December 31, 2001, \$3,706,300 in fiscal year
24 1999–2000 and \$7,413,100 in fiscal year 2000–01.

1 (cr) *Credit assistance.* For payments to Wisconsin works agencies in 1st class
2 cities for the provision of credit establishment and credit repair assistance to
3 Wisconsin works participants, not more than \$3,000,000 in each fiscal year.
4 Notwithstanding sub. (2), the department may not use any funds allocated under
5 this paragraph for any other purpose under this subsection.

6 (d) *County community reinvestment.* For reinvestment of funds into
7 communities under s. 49.179, \$2,779,800 in fiscal year 1999–2000 and \$5,559,800
8 in fiscal year 2000–01.

9 (e) *Initial contracts.* For contracts under s. 49.143 having a term that ends on
10 December 31, 1999, \$245,171,800 in fiscal year 1999–2000.

11 (f) *Wisconsin works agency contingency fund.* For contingency payments to
12 Wisconsin works agencies for program costs, \$102,000,000 in the 1999–2001 fiscal
13 biennium, to be distributed under criteria established by the department, except
14 that the department may not distribute moneys allocated under this paragraph
15 unless the joint committee on finance approves the distribution.

16 (g) *State administration of public assistance programs.* For state
17 administration of public assistance programs, \$31,831,000 in fiscal year 1999–2000
18 and \$31,783,200 in fiscal year 2000–01.

19 (h) *Food stamps for legal immigrants.* For food stamp benefits to qualified
20 aliens under s. 49.124 (8), \$420,000 in each fiscal year.

21 (i) *Emergency assistance.* For emergency assistance under s. 49.138,
22 \$3,300,000 in each fiscal year.

23 (j) *Funeral expenses.* For funeral expenses under s. 49.30, \$3,300,000 in fiscal
24 year 1999–2000 and \$3,925,100 in fiscal year 2000–01.

1 (m) *Children first.* For services under the work experience program for
2 noncustodial parents under s. 49.36, \$1,140,000 in each fiscal year.

3 (n) *Job access loans.* For job access loans under s. 49.147 (6), \$600,000 in each
4 fiscal year.

5 (o) *Employment skills advancement grants.* For employment skills
6 advancement grants under s. 49.185, \$100,000 in each fiscal year.

7 (p) *Direct child care services.* For direct child care services under s. 49.155,
8 \$159,560,000 in fiscal year 1999–2000 and \$181,050,000 in fiscal year 2000–01.

9 (q) *Indirect child care services.* For indirect child care services under s. 49.155
10 (1g), \$11,812,300 in fiscal year 1999–2000 and \$11,367,600 in fiscal year 2000–01.

11 (r) *Early childhood excellence initiative.* For grants under s. 49.1375,
12 \$7,500,000 in each fiscal year.

13 (s) *Start-up funding.* For start-up funding for contracts under s. 49.143 having
14 a term that begins on January 1, 2000, and that ends on December 31, 2001,
15 \$3,519,000 in fiscal year 1999–2000. The department may not distribute moneys
16 allocated under this paragraph unless the joint committee on finance approves the
17 distribution.

18 (t) *Wisconsin works contracts in certain counties.* For contracts with persons
19 for oversight of the administrative structure of Wisconsin works, and of Wisconsin
20 works agencies, in counties having a population of 500,000 or more, \$1,500,000 in
21 fiscal year 1999–2000 and \$1,000,000 in fiscal year 2000–01.

22 (u) *Workforce attachment.* For services specified under s. 49.173, \$9,700,000
23 in fiscal year 1999–2000 and \$10,000,000 in fiscal year 2000–01. The department
24 may not distribute moneys allocated under this paragraph unless the joint
25 committee on finance approves the distribution.

1 (v) *Transportation assistance.* For transportation assistance under s. 49.157,
2 \$200,000 in fiscal year 1999–2000 and \$2,000,000 in fiscal year 2000–01.

3 (w) *Hospital paternity incentives.* For hospital paternity incentive payments
4 under s. 69.14 (1) (cm), \$91,900 in each fiscal year.

5 (x) *Passports for youth program.* For the passports for youth program operated
6 by the YMCA of Metropolitan Milwaukee, \$300,000 in fiscal year 1999–2000. The
7 department may not distribute funds under this paragraph if the passports for youth
8 program does not comply with P.L. 104–193, section 103.

9 (y) *Literacy initiative.* For literacy grants under s. 49.169 and literacy services
10 administered by the governor’s office, \$1,454,100 in each fiscal year.

11 (z) *Community youth grant.* For a competitive grant program administered by
12 the department to fund programs that improve social, academic and employment
13 skills of youth who are eligible to receive temporary assistance for needy families
14 under 42 USC 601 et seq., \$7,500,000 in each fiscal year.

15 (zb) *Work-based learning programs for youth.* For work-based learning
16 programs for youth funded from the appropriation under s. 20.445 (7) (kc),
17 \$2,969,700 in fiscal year 1999–2000 and \$6,084,500 in fiscal year 2000–01.

18 (zc) *Fatherhood initiative.* For a grant program to promote fathers’
19 involvement in their children’s lives, \$75,000 in fiscal year 1999–2000.

20 (zd) *Alcohol and other drug abuse.* For grants made under s. 49.167 to
21 organizations that provide community-based alcohol and other drug abuse
22 treatment to individuals who are eligible for temporary assistance for needy families
23 under 42 USC 601 et. seq., \$1,000,000 in each fiscal year.

24 (ze) *Programs administered by the department of health and family services.*
25 1. ‘Kinship care and long-term kinship care assistance.’ For the kinship care and

1 long-term kinship care programs under s. 48.57 (3m), (3n), (3o) and (3p),
2 \$24,530,100 in fiscal year 1999–2000 and \$26,164,100 in fiscal year 2000–01.

3 2. ‘Children of recipients of supplemental security income.’ For payments made
4 under s. 49.775 for the support of the dependent children of recipients of
5 supplemental security income, \$13,745,200 in fiscal year 1999–2000 and
6 \$17,930,000 in fiscal year 2000–01.

7 3. ‘Community aids.’ For community aids, \$31,800,000 in fiscal year
8 1999–2000 and \$18,086,200 in fiscal year 2000–01.

9 4. ‘Runaway services.’ For grants to programs that provide services for
10 runaway children, \$150,000 in each fiscal year.

11 5. ‘Early identification of pregnancy.’ For outreach and services under s.
12 253.085 to low-income pregnant women, \$100,000 in each fiscal year.

13 6. ‘Supplemental food program for women, infants and children.’ From the
14 appropriation under s. 20.445 (3) (md), for per capita nutritional services and
15 administration funding to local agencies that administer the federal special
16 supplemental food program for women, infants and children under 42 USC 1786 and
17 the state supplemental food program for women, infants and children under s.
18 253.06, \$1,000,000 in each fiscal year.

19 7. ‘Adolescent services and pregnancy prevention programs.’ For adolescent
20 services and pregnancy prevention programs under ss. 46.93, 46.99 and 46.995,
21 \$1,808,300 in each fiscal year.

22 8. ‘Domestic abuse services grants.’ For the domestic abuse services grants
23 under s. 46.95 (2), \$975,000 in fiscal year 1999–2000 and \$1,000,000 in each fiscal
24 year thereafter.

1 9. ‘Statewide immunization program.’ For the statewide immunization
2 program under s. 252.04 (1), \$1,000,000 in each fiscal year.

3 10. ‘Community marriage policy project.’ For the community marriage policy
4 project under 1999 Wisconsin Act ... (this act), section 9123 (14g), \$45,000 in fiscal
5 year 1999–2000 and \$60,000 in each fiscal year thereafter.

6 (zf) *Badger Challenge*. For the Badger Challenge program under s. 21.25,
7 \$33,300 in fiscal year 1999–2000 and \$83,200 in fiscal year 2000–01.

8 (zg) *Aid to Milwaukee public schools*. For aid to the school district operating
9 under ch. 119 under ss. 119.72 and 119.82, \$1,410,000 in each fiscal year.

10 (zh) *Earned income tax credit*. 1. ‘Taxable year 1998.’ For the transfer of
11 moneys from the appropriation account under s. 20.445 (3) (md) to the general fund
12 to reimburse the general fund for earned income tax credits paid for the taxable year
13 that began on January 1, 1998, \$48,000,000 in fiscal year 1999–2000.

14 2. ‘Taxable years 1999 and thereafter.’ For the transfer of moneys from the
15 appropriation account under s. 20.445 (3) (md) to the appropriation account under
16 s. 20.835 (2) (kf) for the earned income tax credit, \$51,000,000 in fiscal year
17 1999–2000 and \$54,000,000 in fiscal year 2000–01.

18 (zi) *Campaign for a Sustainable Milwaukee*. For the Campaign for a
19 Sustainable Milwaukee, \$300,000 in fiscal year 1999–2000.

20 (zj) *Head start*. For the transfer of moneys to the department of public
21 instruction for head start agencies, \$3,712,500 in each fiscal year.

22 (zk) *Wisconsin trust account fund*. For the distribution to the Wisconsin trust
23 account fund under s. 49.1635, \$100,000 in each fiscal year.

1 (zL) *English for Southeast Asian children.* To the school board of the Wausau
2 school district for English training for 3-year-old, 4-year-old and 5-year-old
3 Southeast Asian children, \$100,000 in each fiscal year.

4 (zm) *Jobs initiative.* For Milwaukee Jobs Initiative, Inc., \$100,000 in each
5 fiscal year.

6 (zn) *Child abuse and neglect prevention board.* For the transfer of moneys to
7 the child abuse and neglect prevention board, \$340,000 in each fiscal year.

8 **(2) REDISTRIBUTION OF FUNDS.** The department may redistribute funds allocated
9 for a purpose specified under any paragraph under sub. (1) to be used for any other
10 purpose specified in any other paragraph under sub. (1) if all of the following
11 conditions are met:

12 (a) The secretary of administration approves the redistribution.

13 (b) The department submits a request for approval of the redistribution to the
14 joint committee on finance and the cochairpersons of the committee do not, within
15 14 days of receiving the request, notify the department that the committee has
16 scheduled a meeting for the purpose of reviewing the request. If, within 14 days after
17 receiving the request, the cochairpersons of the committee notify the department
18 that the committee has scheduled a meeting for the purpose of reviewing the request,
19 the department may not redistribute funds under sub. (1) except to the extent
20 approved by the committee.

21 **SECTION 1278t.** 49.175 (1) (ze) 10. of the statutes, as affected by 1999 Wisconsin
22 Act (this act), is repealed.

23 **SECTION 1330r.** 49.179 of the statutes is created to read:

24 **49.179 County community reinvestment.** (1) In this section, "Wisconsin
25 works" has the meaning given in s. 49.141 (1) (p).

1 (2) Annually, beginning January 1, 2000, the department shall distribute the
2 moneys allocated under s. 49.175 (1) (d) to counties as follows:

3 (a) To a county in which more than one Wisconsin works agency is located, the
4 department shall distribute an amount equal to 4% of the sum of the amounts for
5 which the department contracted with those Wisconsin works agencies for
6 administration and benefits under Wisconsin works for the year in which the moneys
7 are to be distributed.

8 (b) To a county in which one Wisconsin works agency is located, the department
9 shall distribute an amount equal to 4% of the amount for which the department
10 contracted with that Wisconsin works agency for administration and benefits under
11 Wisconsin works for the year in which the moneys are to be distributed.

12 (c) To a county that is one of several counties served by a single Wisconsin works
13 agency, the department shall distribute an amount equal to that county's
14 proportional share, as determined by the department, of an amount equal to 4% of
15 the amount for which the department contracted with that Wisconsin works agency
16 for administration and benefits under Wisconsin works for the year in which the
17 moneys are to be distributed.

18 (3) Funds distributed under sub. (2) may be used only for community
19 reinvestment projects. The department shall establish by rule criteria for the use of
20 the funds distributed under sub. (2).

21 (4) In conformity with the criteria established by the department under sub.
22 (3), the county board of supervisors shall determine the use of the funds distributed
23 under sub. (2).

24 (5) No expenditures from the funds distributed under sub. (2) may be made
25 unless the department first certifies that the expenditures are allowable under the

1 federal temporary assistance for needy families block grant program under 42 USC
2 601 et. seq.

3 **SECTION 1331.** 49.185 (3) (d) of the statutes is amended to read:

4 49.185 (3) (d) The individual has been employed in an unsubsidized job for at
5 least ~~9~~ 6 consecutive months before applying for a grant.

6 **SECTION 1332.** 49.185 (3) (i) of the statutes is amended to read:

7 49.185 (3) (i) The individual contributes, or obtains from other sources, an
8 amount at least equal to the amount of the grant, ~~and obtains funding from other~~
9 ~~sources in an amount at least equal to the amount of the grant~~, for tuition, books,
10 transportation or other direct costs of the training or education.

11 **SECTION 1333.** 49.185 (5) of the statutes is amended to read:

12 49.185 (5) APPLICABILITY. This section applies beginning on the date stated in
13 the notice under s. 49.141 (2) (d), ~~or on November 1, 1997, whichever is later.~~

14 **SECTION 1335.** 49.19 (11s) (a) of the statutes is amended to read:

15 49.19 (11s) (a) The department shall conduct a demonstration project under
16 this subsection pursuant to a waiver from the secretary of the federal department of
17 health and human services beginning on January 1, 1996. To the extent permitted
18 in the waiver, the department may apply pars. (b) to (d) to all recipients of aid under
19 this section or to a test group of recipients of aid under this section determined by
20 the department. Paragraphs (b) to (d) do not apply to persons who are subject to s.
21 49.25, 1997 stats., and shall apply only while a waiver under this paragraph is in
22 effect and only with respect to recipients covered by the waiver.

23 **SECTION 1336.** 49.19 (20) (a) of the statutes is amended to read:

24 49.19 (20) (a) Beginning on January 1, 1999, or beginning on the first day of
25 the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d),

1 1997 stats., whichever is sooner, no person is eligible to receive benefits under this
2 section and no aid may be granted under this section. No additional notice, other
3 than the enactment of this paragraph, is required to be given under sub. (13) to
4 recipients of aid under this section to terminate their benefits under this paragraph.

5 **SECTION 1337.** 49.191 of the statutes is repealed.

6 **SECTION 1338.** 49.193 of the statutes is repealed.

7 **SECTION 1339.** 49.195 (1) of the statutes is amended to read:

8 49.195 (1) If any parent at the time of receiving aid under s. 49.19 or a benefit
9 under s. 49.148, 49.155 or 49.157 or at any time thereafter acquires property by gift,
10 inheritance, sale of assets, court judgment or settlement of any damage claim, or by
11 winning a lottery or prize, the county granting such aid, or the Wisconsin works
12 agency granting such a benefit, may sue the parent on behalf of the department to
13 recover the value of that portion of the aid or of the benefit which does not exceed the
14 amount of the property so acquired. The value of the aid or benefit liable for recovery
15 under this section may not include the value of work performed by a member of the
16 family in a community work experience program under s. 46.215 (1) (o), 1991 stats.,
17 s. 46.22 (1) (b) 11., 1991 stats., or s. 49.50 (7j) (d), 1991 stats., or in a community work
18 experience component under s. 49.193 (6), 1997 stats. During the life of the parent,
19 the 10-year statute of limitations may be pleaded in defense against any suit for
20 recovery under this section; and if such property is his or her homestead it shall be
21 exempt from execution on the judgment of recovery until his or her death or sale of
22 the property, whichever occurs first. Notwithstanding the foregoing restrictions and
23 limitations, where the aid or benefit recipient is deceased a claim may be filed against
24 any property in his or her estate and the statute of limitations specified in s. 859.02
25 shall be exclusively applicable. The court may refuse to render judgment or allow

1 the claim in any case where a parent, spouse or child is dependent on the property
2 for support, and the court in rendering judgment shall take into account the current
3 family budget requirement as fixed by the U.S. department of labor for the
4 community or as fixed by the authorities of the community in charge of public
5 assistance. The records of aid or benefits paid kept by the county, by the department
6 or by the Wisconsin works agency are prima facie evidence of the value of the aid or
7 benefits furnished. Liability under this section shall extend to any parent or
8 stepparent whose family receives aid under s. 49.19 or benefits under s. 49.148,
9 49.155 or 49.157 during the period that he or she is a member of the same household,
10 but his or her liability is limited to such period. This section does not apply to medical
11 and health assistance payments for which recovery is prohibited or restricted by
12 federal law or regulation.

13 **SECTION 1340.** 49.195 (3) of the statutes is amended to read:

14 49.195 (3) A county, tribal governing body, Wisconsin works agency or the
15 department shall determine whether an overpayment has been made under s. 49.19,
16 49.148, 49.155 or 49.157 and, if so, the amount of the overpayment. The county, tribal
17 governing body, Wisconsin works agency or department shall provide notice of the
18 overpayment to the liable person. The department shall give that person an
19 opportunity for a review following the procedure specified under s. 49.152, if the
20 person received the overpayment under s. 49.141 to 49.161, and for a hearing under
21 ch. 227. Notwithstanding s. 49.96, the department shall promptly recover all
22 overpayments made under s. 49.19, 49.148, 49.155 or 49.157 that have not already
23 been received under s. 49.161 or 49.19 (17) and shall promulgate rules establishing
24 policies and procedures to administer this subsection. The rules shall include

1 notification procedures similar to those established for child support collections. The
2 department may not recover overpayments made as a result of department error.

3 **SECTION 1341.** 49.195 (3m) of the statutes is created to read:

4 49.195 (3m) (a) 1. If any person fails to pay to the department any amount
5 determined under sub. (3), no review or appeal of that determination is pending and
6 the time for requesting a review or taking an appeal has expired, the department
7 may issue a warrant directed to the clerk of circuit court of any county.

8 2. The clerk of circuit court shall enter in the judgment and lien docket the
9 name of the person mentioned in the warrant, the amount for which the warrant is
10 issued and the date on which the clerk entered that information.

11 3. A warrant entered under subd. 2. shall be considered in all respects as a final
12 judgment constituting a perfected lien upon the person's right, title and interest in
13 all real and personal property located in the county in which the warrant is entered.

14 4. After issuing a warrant, the department may file an execution with the clerk
15 of circuit court for filing with the sheriff of the county, commanding the sheriff to levy
16 upon and sell sufficient real and personal property of the person to pay the amount
17 stated in the warrant in the same manner as upon an execution against property
18 issued upon the judgment of a court of record, and to return the warrant to the
19 department and pay to it the money collected by virtue of the warrant within 90 days
20 after receipt of the warrant. The execution may not command the sheriff to levy upon
21 or sell any property that is exempt from execution under ss. 815.18 (3) and 815.20.

22 (b) The clerk of circuit court shall accept, file and enter the warrant in the
23 judgment and lien docket without prepayment of any fee, but the clerk of circuit court
24 shall submit a statement of the proper fee semiannually to the department covering
25 the periods from January 1 to June 30 and July 1 to December 31 unless a different

1 billing period is agreed to between the clerk of circuit court and the department. The
2 department shall pay the fees, but shall add the fees provided by s. 814.61 (5) for
3 entering the warrants to the amount of the warrant and shall collect the fees from
4 the person named in the warrant when satisfaction or release is presented for entry.

5 (c) If a warrant that is not satisfied in full is returned, the department may
6 enforce the amount due as if the department had recovered judgment against the
7 person named in the warrant for the same amount.

8 (d) When the amount set forth in a warrant and all costs due the department
9 have been paid to it, the department shall issue a satisfaction of the warrant and file
10 it with the clerk of circuit court. The clerk of circuit court shall immediately enter
11 a satisfaction of the judgment on the judgment and lien docket. The department
12 shall send a copy of the satisfaction to the person named in the warrant.

13 (e) If the department finds that the interests of the state will not be jeopardized,
14 the department may issue a release of any warrant with respect to any real or
15 personal property upon which the warrant is a lien or cloud upon title. Upon
16 presentation to the clerk and payment of the fee for filing the release, the clerk shall
17 enter the release of record. The release is conclusive that the lien or cloud upon the
18 title of the property covered by the release is extinguished.

19 (f) Notwithstanding s. 49.96, at any time after the filing of a warrant, the
20 department may commence and maintain a garnishee action as provided by ch. 812
21 or may use the remedy of attachment as provided by ch. 811 for actions to enforce a
22 judgment. The place of trial of such an action may be either in Dane County or the
23 county where the debtor resides and may not be changed from the county in which
24 that action is commenced, except upon consent of the parties.

1 (g) If the department issues an erroneous warrant, the department shall issue
2 a notice of withdrawal of the warrant to the clerk of circuit court for the county in
3 which the warrant is filed. The clerk shall void the warrant and any resulting liens.

4 (h) If the department arranges a payment schedule with the debtor and the
5 debtor complies with the payment schedule, the department shall issue a notice of
6 withdrawal of the warrant to the clerk of circuit court for the county in which the
7 warrant is filed. The clerk shall void the warrant and the resulting liens.²

8 *delete extra line*

9 **SECTION 1342.** 49.195 (3n) of the statutes is created to read:

10 49.195 (3n) (a) In this subsection:

11 1. "Debt" means the amount of liability determined under sub. (3).

12 2. "Debtor" means an individual who is liable under sub. (3).

13 3. "Disposable earnings" means that part of the earnings of any debtor after the
14 deduction from those earnings of any amounts required by law to be withheld, any
15 life, health, dental or similar type of insurance premiums, union dues, any amount
16 necessary to comply with a court order to contribute to the support of minor children,
17 and any levy, wage assignment or garnishment executed prior to the date of a levy
18 under this subsection.

19 4. "Federal minimum hourly wage" means that wage prescribed by 29 USC 206

20 (a) (1).

21 5. "Levy" means all powers of distraint and seizure.

22 6. "Property" includes all tangible and intangible personal property and rights
23 to such property, including compensation paid or payable for personal services,
24 whether denominated as wages, salary, commission, bonus or otherwise, periodic

1 payments received pursuant to a pension or retirement program, rents, proceeds of
2 insurance and contract payments.

3 (b) If any debtor neglects or refuses to pay a debt after the department has made
4 demand for payment, the department may collect that debt and the expenses of the
5 levy by levy upon any property belonging to the debtor. Whenever the value of any
6 property that has been levied upon under this section is not sufficient to satisfy the
7 claim of the department, the department may levy upon any additional property of
8 the person until the debt and expenses of the levy are fully paid.

9 (c) Any person in possession of or obligated with respect to property or rights
10 to property that is subject to levy and upon which a levy has been made shall, upon
11 demand of the department, surrender the property or rights or discharge the
12 obligation to the department, except that part of the property or rights which is, at
13 the time of the demand, subject to any prior attachment or execution under any
14 judicial process.

15 (d) 1. Any debtor who fails or refuses to surrender any property or rights to
16 property that is subject to levy, upon demand by the department, is subject to
17 proceedings to enforce the amount of the levy.

18 2. Any 3rd party who fails to surrender any property or rights to property
19 subject to levy, upon demand of the department, is subject to proceedings to enforce
20 the levy. The 3rd party is not liable to the department under this subdivision for more
21 than 25% of the debt. The department shall serve the levy as provided under par.

22 (m) on any 3rd party who fails to surrender property under this subdivision.
23 Proceedings may not be initiated by the department until 5 days after service of the
24 demand.

1 3. When a 3rd party surrenders the property or rights to the property on
2 demand of the department or discharges the obligation to the department for which
3 the levy is made, the 3rd party is discharged from any obligation or liability to the
4 debtor with respect to the property or rights to the property arising from the
5 surrender or payment to the department.

6 (e) 1. If the department has levied upon property, any person, other than the
7 debtor who is liable to pay the debt out of which the levy arose, who claims an interest
8 in or lien on that property and claims that that property was wrongfully levied upon
9 may bring a civil action against the state in the circuit court for Dane County. That
10 action may be brought whether or not that property has been surrendered to the
11 department. The court may grant only the relief under subd. 2.

12 2. In an action under subd. 1., if a levy would irreparably injure rights to
13 property, the court may enjoin the enforcement of that levy. If the court determines
14 that the property has been wrongfully levied upon, it may grant a judgment for the
15 amount of money obtained by levy.

16 3. For purposes of an adjudication under this paragraph, the determination of
17 the debt upon which the interest or lien of the department is based is conclusively
18 presumed to be valid.

19 (f) The department shall determine its costs and expenses to be paid in all cases
20 of levy.

21 (g) 1. The department shall apply all money obtained under this subsection
22 first against the expenses of the proceedings and then against the liability in respect
23 to which the levy was made and any other liability owed to the department by the
24 debtor.

1 2. The department may refund or credit any amount left after the applications
2 under subd. 1., upon submission of a claim for that amount and satisfactory proof of
3 the claim, to the person entitled to that amount.

4 (h) The department may release the levy upon all or part of property levied
5 upon to facilitate the collection of the liability or to grant relief from a wrongful levy,
6 but that release does not prevent any later levy.

7 (j) If the department determines that property has been wrongfully levied
8 upon, the department may return the property at any time, or may return an amount
9 of money equal to the amount of money levied upon.

10 (k) Any person who removes, deposits or conceals or aids in removing,
11 depositing or concealing any property upon which a levy is authorized under this
12 subsection with intent to evade or defeat the assessment or collection of any debt may
13 be fined not more than \$5,000 or imprisoned for not more than 3 years or both, and
14 shall be liable to the state for the costs of prosecution.

15 (L) If no appeal or other proceeding for review permitted by law is pending and
16 the time for taking an appeal or petitioning for review has expired, the department
17 shall make a demand to the debtor for payment of the debt which is subject to levy
18 and give notice that the department may pursue legal action for collection of the debt
19 against the debtor. The department shall make the demand for payment and give
20 the notice at least 10 days prior to the levy, personally or by any type of mail service
21 which requires a signature of acceptance, at the address of the debtor as it appears
22 on the records of the department. The demand for payment and notice shall include
23 a statement of the amount of the debt, including interest and penalties, and the name
24 of the debtor who is liable for the debt. The debtor's refusal or failure to accept or
25 receive the notice does not prevent the department from making the levy. Notice

1 prior to levy is not required for a subsequent levy on any debt of the same debtor
2 within one year of the date of service of the original levy.

3 (m) 1. The department shall serve the levy upon the debtor and 3rd party by
4 personal service or by any type of mail service which requires a signature of
5 acceptance.

6 2. Personal service shall be made upon an individual, other than a minor or
7 incapacitated person, by delivering a copy of the levy to the debtor or 3rd party
8 personally; by leaving a copy of the levy at the debtor's dwelling or usual place of
9 abode with some person of suitable age and discretion residing there; by leaving a
10 copy of the levy at the business establishment with an officer or employe of the
11 establishment; or by delivering a copy of the levy to an agent authorized by law to
12 receive service of process.

13 3. The department representative who serves the levy shall certify service of
14 process on the notice of levy form and the person served shall acknowledge receipt
15 of the certification by signing and dating it. If service is made by mail, the return
16 receipt is the certificate of service of the levy.

17 4. The debtor's or 3rd party's failure to accept or receive service of the levy does
18 not invalidate the levy.

19 (n) Within 20 days after the service of the levy upon a 3rd party, the 3rd party
20 shall file an answer with the department stating whether the 3rd party is in
21 possession of or obligated with respect to property or rights to property of the debtor,
22 including a description of the property or the rights to property and the nature and
23 dollar amount of any such obligation.

1 (p) A levy is effective from the date on which the levy is first served on the 3rd
2 party until the liability out of which the levy arose is satisfied, until the levy is
3 released or until one year from the date of service, whichever occurs first.

4 (q) 1. The debtor is entitled to an exemption from levy of the greater of the
5 following:

6 a. A subsistence allowance of 75% of the debtor's disposable earnings then due
7 and owing.

8 b. An amount equal to 30 times the federal minimum hourly wage for each full
9 week of the debtor's pay period; or, in the case of earnings for a period other than a
10 week, a subsistence allowance computed so that it is equivalent to that amount using
11 a multiple of the federal minimum hourly wage prescribed by the department by
12 rule.

13 2. The first \$1,000 of an account in a depository institution is exempt from any
14 levy to recover a benefit overpayment.

15 (r) No employer may discharge or otherwise discriminate with respect to the
16 terms and conditions of employment against any employe by reason of the fact that
17 his or her earnings have been subject to levy for any one levy or because of compliance
18 with any provision of this subsection. Any person who violates this paragraph may
19 be fined not more than \$1,000 or imprisoned for not more than one year or both.

20 (s) Any debtor who is subject to a levy proceeding made by the department has
21 the right to appeal the levy proceeding under ch. 227.44. The appeal is limited to
22 questions of prior payment of the debt that the department is proceeding against,
23 and mistaken identity of the debtor. The levy is not stayed pending an appeal in any
24 case where property is secured through the levy.

1 (t) Any 3rd party is entitled to a levy fee of \$5 for each levy in any case where
2 property is secured through the levy. The 3rd party shall deduct the fee from the
3 proceeds of the levy.

4 **SECTION 1343.** 49.195 (3n) (k) of the statutes, as created by 1999 Wisconsin Act
5 (this act), is amended to read:

6 49.195 (3n) (k) Any person who removes, deposits or conceals or aids in
7 removing, depositing or concealing any property upon which a levy is authorized
8 under this subsection with intent to evade or defeat the assessment or collection of
9 any debt may be fined not more than \$5,000 or imprisoned for not more than ~~3~~
10 4 years and 6 months or both, and shall be liable to the state for the costs of
11 prosecution.

12 **SECTION 1344.** 49.195 (3n) (r) of the statutes, as created by 1999 Wisconsin Act
13 (this act), is amended to read:

14 49.195 (3n) (r) No employer may discharge or otherwise discriminate with
15 respect to the terms and conditions of employment against any employe by reason
16 of the fact that his or her earnings have been subject to levy for any one levy or
17 because of compliance with any provision of this subsection. Any person who violates
18 this paragraph may be fined not more than \$1,000 or imprisoned for not more than
19 ~~one-year~~ 2 years or both.

20 **SECTION 1345.** 49.195 (3p) of the statutes is created to read:

21 49.195 (3p) The availability of the remedies under subs. (3m) and (3n) does not
22 abridge the right of the department to pursue other remedies.

23 **SECTION 1346.** 49.195 (3r) of the statutes is created to read:

24 49.195 (3r) From the appropriation under s. 20.445 (3) (L) the department may
25 contract with or employ a collection agency or other person to enforce a repayment

1 obligation of a person who is found liable under sub. (3) who is delinquent in making
2 repayments.

3 **SECTION 1346c.** 49.195 (3s) of the statutes is created to read:

4 49.195 (3s) The department shall specify by rule when requests for reviews,
5 hearings and appeals under this section may be made and the process to be used for
6 the reviews, hearings and appeals. In promulgating the rules, the department shall
7 provide for a hearing or review after a warrant under sub. (3m) has been issued and
8 before the warrant has been executed, before property is levied under sub. (3m) or
9 (3n) and after levied property is seized and before it is sold. The department shall
10 specify by rule the time limit for a request for review or hearing. The department
11 shall also specify by rule a minimum amount that must be due before collection
12 proceedings under this section may be commenced.

13 **SECTION 1347.** 49.20 of the statutes is repealed.

14 **SECTION 1348.** 49.21 of the statutes is repealed.

15 **SECTION 1350m.** 49.23 of the statutes is repealed.

16 **SECTION 1352.** 49.24 (1) of the statutes, as affected by 1997 Wisconsin Act 27,
17 section 1882n, is amended to read:

18 49.24 (1) From the appropriation under s. 20.445 (3) (k), the department shall
19 provide child support incentive payments to counties ~~to offset reduced federal child~~
20 ~~support incentive payments.~~ Total payments under this subsection may not exceed
21 ~~\$3,178,000 in fiscal year 1997-98 or \$3,850,000 in fiscal year 1998-99~~ \$5,690,000 per
22 year.

23 **SECTION 1352f.** 49.24 (2) of the statutes is renumbered 49.24 (2) (a) and
24 amended to read:

1 49.24 (2) (a) The department shall ~~distribute the payments under sub. (1) in~~
2 ~~accordance with a formula developed by the department,~~ in consultation with
3 representatives of counties, promulgate a rule that specifies the formula according
4 to which the payments under sub. (1) and federal child support incentive payments
5 will be distributed to counties. The rule shall provide that the total of state and
6 federal incentive payments per year to a county may not exceed the costs per year
7 of the county's child support program under s. 49.22.

8 (b) The total of payments made to counties under sub. (1) and in federal child
9 support incentive payments may not exceed ~~\$10,500,000 in a state fiscal~~ \$12,340,000
10 per year.

11 **SECTION 1352g.** 49.24 (3) of the statutes is amended to read:

12 49.24 (3) A county that receives any state child support incentive payment
13 under sub. (1) or any federal child support incentive payment may use the funds only
14 to pay costs under its child support program under s. 49.22.

15 **SECTION 1353.** 49.25 of the statutes is repealed.

16 **SECTION 1354.** 49.26 (1) (h) 1. as. of the statutes is amended to read:

17 49.26 (1) (h) 1. as. The individual has failed to request a hearing or has failed
18 to show good cause for not cooperating with case management efforts in a hearing.
19 ~~If the individual is a recipient of aid under s. 49.19, the hearing shall be requested~~
20 ~~and held under s. 49.21 (1). If the individual is a member of a Wisconsin works group,~~
21 ~~as defined in s. 49.141 (1) (s), the~~ The hearing shall be requested and held under s.
22 49.152. The department shall determine by rule the criteria for good cause.

23 **SECTION 1355.** 49.27 of the statutes is repealed.

24 **SECTION 1355w.** 49.30 (1) (b) of the statutes is amended to read:

1 49.30 (1) (b) The lesser of ~~\$1,000~~ \$1,500 or the funeral and burial expenses not
2 paid by the estate of the deceased and other persons."

3 **SECTION 1355wb.** 49.30 (1) (b) of the statutes, as affected by 1999 Wisconsin
4 Act (this act), is amended to read:

5 49.30 (1) (b) The lesser of ~~\$1,500~~ \$2,500 or the funeral and burial expenses not
6 paid by the estate of the deceased and other persons.

7 **SECTION 1356.** 49.30 (1m) (c) of the statutes is created to read:

8 49.30 (1m) (c) If a request for payment under sub. (1) is made more than 12
9 months after the death of the recipient, the county or applicable tribal governing
10 body or organization responsible for burial of the recipient is not required to make
11 a payment for cemetery, funeral or burial expenses.

12 **SECTION 1356m.** 49.33 (1) (b) of the statutes is amended to read:

13 49.33 (1) (b) "Income maintenance program" means aid to families with
14 dependent children under s. 49.19, Wisconsin works under ss. 49.141 to 49.161,
15 ~~medical assistance under subch. IV of ch. 49~~ or the food stamp program under 7 USC
16 2011 to 2029.

17 **SECTION 1356n.** 49.33 (8) (a) of the statutes is amended to read:

18 49.33 (8) (a) The department shall reimburse each county for reasonable costs
19 of income maintenance relating to the administration of the programs under this
20 subchapter ~~and subch. IV~~ according to a formula based on workload within the limits
21 of available state and federal funds under s. 20.445 (3) (dz), (md) and (nL) by contract
22 under s. 49.33 (2). The amount of reimbursement calculated under this paragraph
23 and par. (b) is in addition to any reimbursement provided to a county for fraud and
24 error reduction under s. 49.197 (1m) and (4).

25 **SECTION 1357.** 49.36 (2) of the statutes is amended to read:

1 49.36 (2) The department may contract with any county or Wisconsin works
2 agency to administer a work experience and job training program for parents who
3 are not custodial parents and who fail to pay child support or to meet their children's
4 needs for support as a result of unemployment or underemployment. The program
5 may provide the kinds of work experience and job training services available from
6 the program under s. 49.193, 1997 stats., or s. 49.147 (3) or (4). The program may
7 also include job search and job orientation activities. The department shall fund the
8 program from the appropriation under s. 20.445 (3) (dz).

9 **SECTION 1358.** 49.36 (3) (g) of the statutes is repealed.

10 **SECTION 1359.** 49.36 (7) of the statutes is amended to read:

11 49.36 (7) The department shall pay a county or Wisconsin works agency \$200
12 \$400 for each person who participates in the program under this section in the region
13 in which the county or Wisconsin works agency administers the program under this
14 section. The county or Wisconsin works agency shall pay any additional costs of the
15 program.

16 **SECTION 1360.** 49.37 of the statutes is repealed.

17 **SECTION 1361.** 49.43 (8) of the statutes is amended to read:

18 49.43 (8) "Medical assistance" means any services or items under ss. 49.45 to
19 49.47 49.472, except s. 49.472 (6), and under ss. 49.49 to 49.497, or any payment or
20 reimbursement made for such services or items.

21 **SECTION 1361v.** 49.45 (2) (a) 3. of the statutes is amended to read:

22 49.45 (2) (a) 3. Determine the eligibility of persons for medical assistance,
23 rehabilitative and social services under ss. 49.46, 49.468 and 49.47 and rules and
24 policies adopted by the department and may designate this function to the county
25 department under s. 46.215, 46.22 or 46.23 or, to the extent permitted by federal law

1 or a waiver from federal secretary of health and human services, to a Wisconsin
2 works agency. Any person who determines eligibility for medical assistance in a
3 location other than in an office of the department or of a county department of human
4 services or of social services shall be permitted to review and update information on
5 existing records of an individual who is seeking from that person an eligibility
6 determination for medical assistance, even if the individual's case was assigned to
7 a different person as a result of the individual's seeking or receiving other public
8 assistance.

9 **SECTION 1362.** 49.45 (2) (a) 4. of the statutes is amended to read:

10 49.45 (2) (a) 4. To the extent funds are available under s. 20.435 ~~(1)~~ (4) (bm),
11 certify all proper charges and claims for administrative services to the department
12 of administration for payment and the department of administration shall draw its
13 warrant forthwith.

14 **SECTION 1371.** 49.45 (2) (a) 17. of the statutes is amended to read:

15 49.45 (2) (a) 17. Notify the governor, the joint committee on legislative
16 organization, the joint committee on finance and appropriate standing committees,
17 as determined by the presiding officer of each house, if the appropriation under s.
18 20.435 ~~(5)~~ (4) (b) is insufficient to provide the state share of medical assistance.

19 **SECTION 1373v.** 49.45 (3) (a) of the statutes is amended to read:

20 49.45 (3) (a) Reimbursement shall be made to each county department under
21 ss. 46.215, 46.22 and 46.23 for the administrative services performed in the medical
22 assistance program on the basis of s. 49.33 ~~(8)~~ according to a formula based on
23 workload. For purposes of reimbursement under this paragraph, assessments
24 completed under s. 46.27 (6) (a) are administrative services performed in the medical
25 assistance program.

1 **SECTION 1374.** 49.45 (3) (ag) of the statutes is amended to read:

2 49.45 (3) (ag) Reimbursement shall be made to each entity contracted with
3 under s. ~~46.271 (2m)~~ 46.281 (1) (d) for ~~assessments completed~~ functional screens
4 performed under s. ~~46.271 (2m) (a) 2.~~ 46.281 (1) (d).

5 **SECTION 1375.** 49.45 (3) (am) 1. of the statutes is amended to read:

6 49.45 (3) (am) 1. From the appropriation under s. 20.435 ~~(1)~~ (4) (bm), the
7 department shall make incentive payments to counties to encourage counties to
8 identify medical assistance applicants and recipients who have other health care
9 coverage and the providers of the health care coverage and give that information to
10 the department.

11 **SECTION 1376m.** 49.45 (3) (fm) of the statutes is created to read:

12 49.45 (3) (fm) The department shall seek, on behalf of dentists who are
13 providers, federal reimbursement for the cost of any equipment that the department
14 requires dentists to use to verify medical assistance eligibility electronically. If the
15 department is successful in obtaining federal reimbursement of that expense, the
16 department shall reimburse dentists who are providers for the portion of the cost of
17 the equipment that is reimbursed by the federal government.

18 **SECTION 1381.** 49.45 (3) (j) of the statutes is amended to read:

19 49.45 (3) (j) Reimbursement for administrative contract costs under this
20 section is limited to the funds available under s. 20.435 ~~(1)~~ (4) (bm).

21 **SECTION 1382.** 49.45 (5m) (a) of the statutes is renumbered 49.45 (5m) (am) and
22 amended to read:

23 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriations under
24 s. 20.435 ~~(5)~~ (4) (b) and (o) the department shall distribute not more than \$2,256,000
25 in each fiscal year, to provide supplemental funds to rural hospitals that, as

1 determined by the department, have high utilization of inpatient services by
2 patients whose care is provided from governmental sources, and to provide
3 supplemental funds to critical access hospitals, except that the department may not
4 distribute funds to a rural hospital or to a critical access hospital to the extent that
5 the distribution would exceed any limitation under 42 USC 1396b (i) (3).

6 **SECTION 1383.** 49.45 (5m) (ag) of the statutes is created to read:

7 49.45 (5m) (ag) In this subsection, “critical access hospital” has the meaning
8 given in s. 50.33 (1g).

9 **SECTION 1384.** 49.45 (5m) (b) of the statutes is amended to read:

10 49.45 (5m) (b) The supplemental funding for rural hospitals under par. (a) (am)
11 shall be based on the utilization, by recipients of medical assistance, of the total
12 inpatient days of a rural hospital in relation to that utilization in other rural
13 hospitals.

14 **SECTION 1384g.** 49.45 (5r) of the statutes is created to read:

15 49.45 (5r) SUPPLEMENTAL PAYMENTS FOR HOSPITALS. From the appropriations
16 under s. 20.435 (4) (b) and (o), the department shall distribute not more than
17 \$2,451,000 in each fiscal year, beginning on July 1, 2000, as a supplemental payment
18 to a hospital for which medical assistance revenues were at least 8% of the hospital’s
19 total revenues in the hospital’s most recent fiscal year prior to the year of payment.
20 The department shall calculate a qualifying hospital’s supplemental payment
21 amount by multiplying the total amount of medical assistance revenues of all
22 qualifying hospitals in their most recent prior fiscal years by the percentage obtained
23 by dividing the hospital’s total medical assistance revenues in the hospital’s most
24 recent prior fiscal year by the total amount of medical assistance revenues for all
25 qualifying hospitals for that period.

1 **SECTION 1385.** 49.45 (6b) (intro.) of the statutes is renumbered 49.45 (6b) and
2 amended to read:

3 49.45 (6b) CENTERS FOR THE DEVELOPMENTALLY DISABLED. From the
4 appropriation under s. 20.435 (2) (gk), the department may reimburse the cost of
5 services provided by the centers for the developmentally disabled. Reimbursement
6 to the centers for the developmentally disabled shall be reduced following each
7 placement made under s. 46.275 ~~which~~ that involves a relocation from a center for
8 the developmentally disabled, ~~as follows: by \$184 per day, beginning in fiscal year~~
9 1999–2000, and by \$190 per day, beginning in fiscal year 2000–01.

10 **SECTION 1386.** 49.45 (6b) (a) of the statutes is repealed.

11 **SECTION 1387.** 49.45 (6b) (b) of the statutes is repealed.

12 **SECTION 1388.** 49.45 (6b) (c) of the statutes is repealed.

13 **SECTION 1389.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

14 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
15 subsection made under s. 20.435 (1) (p) ~~or (5) (b) (4) (b), (pa)~~ or (o) shall, except as
16 provided in pars. (bg), (bm) and (br), be determined according to a prospective
17 payment system updated annually by the department. The payment system shall
18 implement standards that are necessary and proper for providing patient care and
19 that meet quality and safety standards established under subch. II of ch. 50 and ch.
20 150. The payment system shall reflect all of the following:

21 **SECTION 1390b.** 49.45 (6m) (ag) 3m. of the statutes is amended to read:

22 49.45 (6m) (ag) 3m. For state fiscal year ~~1997–98~~ 1999–2000, rates that shall
23 be set by the department based on information from cost reports for the ~~1996~~ 1998
24 fiscal year of the facility and for state fiscal year ~~1998–99~~ 2000–01, rates that shall

1 be set by the department based on information from cost reports for the 1997 1999
2 fiscal year of the facility.

3 **SECTION 1391.** 49.45 (6m) (ag) 8. of the statutes is repealed.

4 **SECTION 1392.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

5 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
6 allowable direct care costs, for facilities that do not primarily serve the
7 developmentally disabled, that ~~are not less than the median for~~ take into account
8 direct care costs for a sample of all of those facilities in this state and separate
9 standards for payment of allowable direct care costs, for facilities that primarily
10 serve the developmentally disabled, that ~~are not less than the median for~~ take into
11 account direct care costs for a sample of all of those facilities in this state. The
12 standards shall be adjusted by the department for regional labor cost variations.

13 **SECTION 1393.** 49.45 (6m) (ar) 1. cm. of the statutes is amended to read:

14 49.45 (6m) (ar) 1. cm. ~~Notwithstanding the limitations under par. (ag) 8.,~~
15 funding Funding distributed to facilities for the provision of active treatment to
16 residents with a diagnosis of developmental disability shall be distributed in
17 accordance with a method developed by the department which is consistent with a
18 prudent buyer approach to payment for services.

19 **SECTION 1394.** 49.45 (6m) (ar) 2. a. of the statutes is amended to read:

20 49.45 (6m) (ar) 2. a. The department shall establish one or more standards for
21 the payment of support service costs that ~~are not less than the median of~~ take into
22 account support service costs for a sample of all facilities within the state.

23 **SECTION 1395.** 49.45 (6m) (ar) 3. a. of the statutes is amended to read:

24 49.45 (6m) (ar) 3. a. The department shall establish standards, adjusted for
25 heating degree day variations in the state, for payment of fuel and utility costs that

1 ~~are not less than the median of take into account~~ heating fuel and utility costs for a
2 sample of all facilities within the state.

3 **SECTION 1396.** 49.45 (6m) (ar) 4. of the statutes is amended to read:

4 49.45 (6m) (ar) 4. For net property taxes or municipal services, payment shall
5 be made for ~~those costs that range from~~ the amount of the previous calendar year's
6 tax or the amount of municipal service costs for a period specified by the department,
7 subject to a maximum limit as determined by the department.

8 **SECTION 1397.** 49.45 (6m) (ar) 5. a. of the statutes is amended to read:

9 49.45 (6m) (ar) 5. a. The department shall establish one or more standards for
10 the payment of administrative and general costs that ~~are not less than the median~~
11 of take into account administrative and general costs for a sample of all facilities
12 within the state.

13 **SECTION 1398.** 49.45 (6m) (ar) 6. of the statutes is amended to read:

14 49.45 (6m) (ar) 6. Capital payment shall be based on a replacement value for
15 a facility. The replacement value shall be determined by a commercial estimator
16 contracted for by the department and paid for by the facility. The replacement value
17 shall be subject to limitations determined by the department, ~~except that the~~
18 ~~department may not reduce final capital payment of a facility by more than \$3.50 per~~
19 ~~patient day.~~

20 **SECTION 1399.** 49.45 (6m) (av) 1. of the statutes is amended to read:

21 49.45 (6m) (av) 1. The department shall calculate a payment rate for a facility
22 by applying the criteria set forth under pars. (ag) 1. to 5., and 7. ~~and 8.~~, (am) 1. to 5.
23 and (ar) 1. to 5. to information from cost reports submitted by the facility.

24 **SECTION 1400.** 49.45 (6m) (av) 5m. of the statutes is amended to read:

1 49.45 (6m) (av) 5m. ~~Notwithstanding the limitations under par. (ag) 8., the~~ The
2 rate under subd. 1., 4. or 5. may be adjusted by the department to reflect payments
3 for the provision of active treatment to facility residents with a diagnosis of
4 developmental disability.

5 **SECTION 1401.** 49.45 (6m) (bp) (intro.) of the statutes is amended to read:

6 49.45 (6m) (bp) (intro.) Notwithstanding pars. ~~(ag) 3m.,~~ (am) 6. and (ar) 6., the
7 department may establish payment methods based on actual costs for capital
8 payment for a facility to which, after December 31, 1982, any of the following applies:

9 **SECTION 1402.** 49.45 (6m) (br) 1. of the statutes is amended to read:

10 49.45 (6m) (br) 1. Notwithstanding s. 20.410 (3) (cd), 20.435 ~~(5) (4)~~ (4) (bt) ~~or (bu)~~
11 or (7) (b) or 20.445 (3) (dz), the department shall reduce allocations of funds to
12 counties in the amount of the disallowance from the appropriation account under s.
13 20.435 ~~(5) (4)~~ (4) (bt) ~~or (bu)~~ or (7) (b), or the department shall direct the department of
14 workforce development to reduce allocations of funds to counties or Wisconsin works
15 agencies in the amount of the disallowance from the appropriation account under s.
16 20.445 (3) (dz) or direct the department of corrections to reduce allocations of funds
17 to counties in the amount of the disallowance from the appropriation account under
18 s. 20.410 (3) (cd), in accordance with s. 16.544 to the extent applicable.

19 **SECTION 1403.** 49.45 (6m) (c) 5. of the statutes is amended to read:

20 49.45 (6m) (c) 5. Admit only patients assessed or who waive or are exempt from
21 the requirement of assessment under s. 46.27 (6) (a) or, if required under s. 50.035
22 (4n) or 50.04 (2h), who have been referred to a resource center.

23 **SECTION 1404.** 49.45 (6t) (intro.) of the statutes is amended to read:

24 49.45 (6t) COUNTY DEPARTMENT AND LOCAL HEALTH DEPARTMENT OPERATING
25 DEFICIT REDUCTION. (intro.) From the appropriation under s. 20.435 ~~(5) (4)~~ (o), for

1 reduction of operating deficits, as defined under criteria developed by the
2 department, incurred by a county department under s. 46.215, 46.22, 46.23 or 51.42
3 or by a local health department, as defined in s. 250.01 (4), for services provided
4 under s. 49.46 (2) (a) 4. d. and (b) 6. f., j., k. and L., 9. and 15., for case management
5 services under s. 49.46 (2) (b) 12. and for mental health day treatment services for
6 minors provided under the authorization under 42 USC 1396d (r) (5), the department
7 shall allocate up to \$4,500,000 in each fiscal year to these county departments, or
8 local health departments as determined by the department, and shall perform all of
9 the following:

10 **SECTION 1405.** 49.45 (6t) (d) of the statutes is amended to read:

11 49.45 (6t) (d) If the federal department of health and human services approves
12 for state expenditure in a fiscal year amounts under s. 20.435 (5) (4) (o) that result
13 in a lesser allocation amount than that allocated under this subsection or disallows
14 use of the allocation of federal medicaid funds under par. (c), reduce allocations under
15 this subsection and distribute on a prorated basis, as determined by the department.

16 **SECTION 1406.** 49.45 (6u) (intro.) of the statutes is amended to read:

17 49.45 (6u) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES. (intro.)
18 Notwithstanding sub. (6m), from the appropriation under s. 20.435 (5) (4) (o), for
19 reduction of operating deficits, as defined under criteria developed by the
20 department, incurred by a facility, as defined under sub. (6m) (a) 3., that is
21 established under s. 49.70 (1) or that is owned and operated by a city, village or town,
22 the department may not distribute to these facilities more than \$38,600,000 in each
23 fiscal year, as determined by the department, except that the department shall also
24 distribute for this same purpose from the appropriation under s. 20.435 (5) (4) (o) any
25 additional federal medical assistance moneys that were not anticipated before

1 enactment of the biennial budget act or other legislation affecting s. 20.435 ~~(5)~~ (4) (o)
2 ~~and that were not used to fund nursing home rate increases under sub. (6m) (ag) 8.~~

3 The total amount that a county certifies under this subsection may not exceed 100%
4 of otherwise-unreimbursed care. In distributing funds under this subsection, the
5 department shall perform all of the following:

6 **SECTION 1407.** 49.45 (6u) (d) of the statutes is amended to read:

7 49.45 **(6u)** (d) If the federal department of health and human services approves
8 for state expenditure in a fiscal year amounts under s. 20.435 ~~(5)~~ (4) (o) that result
9 in a lesser allocation amount than that allocated under this subsection, allocate not
10 more than the lesser amount so approved by the federal department of health and
11 human services.

12 **SECTION 1408.** 49.45 (6u) (e) of the statutes is amended to read:

13 49.45 **(6u)** (e) If the federal department of health and human services approves
14 for state expenditure in a fiscal year amounts under s. 20.435 ~~(5)~~ (4) (o) that result
15 in a lesser allocation amount than that allocated under this subsection, submit a
16 revision of the method developed under par. (b) for approval by the joint committee
17 on finance in that state fiscal year.

18 **SECTION 1409.** 49.45 (6v) (b) of the statutes is amended to read:

19 49.45 **(6v)** (b) The department shall, each year, submit to the joint committee
20 on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that
21 provides information on the utilization of beds by recipients of medical assistance in
22 facilities and a discussion and detailed projection of the likely balances,
23 expenditures, encumbrances and carry over of currently appropriated amounts in
24 the appropriation accounts under s. 20.435 (4) (b) and (o).

25 **SECTION 1410.** 49.45 (6v) (c) of the statutes is amended to read:

1 49.45 (6v) (c) If the report specified in par. (b) indicates that utilization of beds
2 by recipients of medical assistance in facilities ~~decreased~~ is less than estimates for
3 that utilization reflected in the intentions of the joint committee on finance,
4 legislature and governor, as expressed by them in the budget determinations, the
5 department shall include a proposal to transfer moneys from the appropriation
6 under s. 20.435 (5) (4) (b) to the appropriation under s. 20.435 (7) (bd) for the purpose
7 of increasing funding for the community options program under s. 46.27. The
8 amount proposed for transfer may not reduce the balance in the appropriation
9 account under s. 20.435 (4) (b) below an amount necessary to ensure that that
10 appropriation account will end the current fiscal year or the current fiscal biennium
11 with a positive balance. The secretary shall transfer the amount identified under the
12 proposal.

13 **SECTION 1411.** 49.45 (6w) (intro.) of the statutes is amended to read:

14 49.45 (6w) HOSPITAL OPERATING DEFICIT REDUCTION. (intro.) From the
15 appropriation under s. 20.435 (5) (4) (o), for reduction of operating deficits, as defined
16 under criteria developed by the department, incurred by a hospital, as defined under
17 s. 50.33 (2) (a) and (b), that is operated by the state, established under s. 49.71 or
18 owned and operated by a city or village, the department shall allocate up to
19 \$3,300,000 in each fiscal year to these hospitals, as determined by the department,
20 and shall perform all of the following:

21 **SECTION 1412.** 49.45 (6w) (d) of the statutes is amended to read:

22 49.45 (6w) (d) If the federal department of health and human services approves
23 for state expenditure in a fiscal year amounts under s. 20.435 (5) (4) (o) that result
24 in a lesser allocation amount than that allocated under this subsection or disallows

1 use of the allocation of federal medicaid funds under par. (c), reduce allocations under
2 this subsection and distribute on a prorated basis, as determined by the department.

3 **SECTION 1413.** 49.45 (6x) (a) of the statutes is amended to read:

4 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
5 20.435 (5) (4) (b) and (c) the department shall distribute not more than \$4,748,000
6 in each fiscal year, to provide funds to an essential access city hospital, except that
7 the department may not allocate funds to an essential access city hospital to the
8 extent that the allocation would exceed any limitation under 42 USC 1396b (i) (3).

9 **SECTION 1414.** 49.45 (6x) (d) of the statutes is amended to read:

10 49.45 (6x) (d) If the federal department of health and human services approves
11 for state expenditure in any state fiscal year amounts under s. 20.435 (5) (4) (o) that
12 result in a lesser distribution amount than that distributed under this subsection or
13 disallows use of federal medicaid funds under par. (a), the department of health and
14 family services shall reduce the distributions under this subsection.

15 **SECTION 1415.** 49.45 (6y) (a) of the statutes is amended to read:

16 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
17 20.435 (5) (4) (b) and (c) the department shall distribute funding in each fiscal year
18 to provide supplemental payment to hospitals that enter into a contract under s.
19 49.02 (2) to provide health care services funded by a relief block grant, as determined
20 by the department, for hospital services that are not in excess of the hospitals'
21 customary charges for the services, as limited under 42 USC 1396b (i) (3). If no relief
22 block grant is awarded under this chapter or if the allocation of funds to such
23 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
24 may distribute funds to hospitals that have not entered into a contract under s. 49.02
25 (2).

1 **SECTION 1416.** 49.45 (6y) (am) of the statutes is created to read:

2 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriations under s.
3 20.435 (4) (b), (h) and (o) the department shall distribute funding in each fiscal year
4 to provide supplemental payments to hospitals that enter into contracts under s.
5 49.02 (2) with a county having a population of 500,000 or more to provide health care
6 services funded by a relief block grant, as determined by the department, for hospital
7 services that are not in excess of the hospitals' customary charges for the services,
8 as limited under 42 USC 1396b (i) (3).

9 **SECTION 1417.** 49.45 (6y) (b) of the statutes is amended to read:

10 49.45 (6y) (b) The department need not promulgate as rules under ch. 227 the
11 procedures, methods of distribution and criteria required for distribution under ~~par-~~
12 pars. (a) and (am).

13 **SECTION 1418.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

14 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
15 under s. 20.435 ~~(5)~~ (4) (b) and (o) the department shall distribute funding in each
16 fiscal year to supplement payment for services to hospitals that enter into a contract
17 under s. 49.02 (2) to provide health care services funded by a relief block grant under
18 this chapter, if the department determines that the hospitals serve a
19 disproportionate number of low-income patients with special needs. If no medical
20 relief block grant under this chapter is awarded or if the allocation of funds to such
21 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
22 may distribute funds to hospitals that have not entered into a contract under s. 49.02
23 (2). The department may not distribute funds under this subsection to the extent
24 that the distribution would do any of the following:

25 **SECTION 1418m.** 49.45 (7) (a) of the statutes is amended to read:

1 49.45 (7) (a) A recipient who is a patient in a public medical institution or an
2 accommodated person and has a monthly income exceeding the payment rates
3 established under 42 USC 1382 (e) may retain \$40 ~~\$45~~ unearned income or the
4 amount of any pension paid under 38 USC 3203 (f), whichever is greater, per month
5 for personal needs. Except as provided in s. 49.455 (4) (a), the recipient shall apply
6 income in excess of \$40 ~~\$45~~ or the amount of any pension paid under 38 USC 3203
7 (f), whichever is greater, less any amount deducted under rules promulgated by the
8 department, toward the cost of care in the facility.

9 **SECTION 1419.** 49.45 (8) (b) of the statutes is amended to read:

10 49.45 (8) (b) Reimbursement under s. 20.435 ~~(5)~~ (4) (b) and (o) for home health
11 services provided by a certified home health agency or independent nurse shall be
12 made at the home health agency's or nurse's usual and customary fee per patient care
13 visit, subject to a maximum allowable fee per patient care visit that is established
14 under par. (c).

15 **SECTION 1424m.** 49.45 (22) of the statutes is amended to read:

16 49.45 (22) MEDICAL ASSISTANCE SERVICES PROVIDED BY HEALTH MAINTENANCE
17 ORGANIZATIONS. If the department contracts with health maintenance organizations
18 for the provision of medical assistance it shall give special consideration to health
19 maintenance organizations that provide or that contract to provide comprehensive,
20 specialized health care services to pregnant teenagers. If the department contracts
21 with health maintenance organizations for the provision of medical assistance, the
22 department shall determine which medical assistance recipients who have attained
23 the age of 2 but have not attained the age of 6 and who are at risk for lead poisoning
24 have not received lead screening from those health maintenance organizations. The
25 department shall report annually to the appropriate standing committees of the

1 legislature under s. 13.172 (3) on the percentage of medical assistance recipients
 2 under the age of 2 who received a lead screening test in that year provided by a health
 3 maintenance organization compared with the percentage that the department set as
 4 a goal for that year.

5 **SECTION 1426.** 49.45 (24m) (intro.) of the statutes is amended to read:

6 49.45 (24m) HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
 7 From the appropriations under s. 20.435 (5) (4) (b) and (o), in order to test the
 8 feasibility of instituting a system of reimbursement for providers of home health care
 9 and personal care services for medical assistance recipients that is based on
 10 competitive bidding, the department shall:

11 **SECTION 1427g.** 49.45 (39) (a) 1. of the statutes is amended to read:

12 49.45 (39) (a) 1. "School" means a public school described under s. 115.01 (1)
 13 or, a charter school, as defined in s. 115.001 (1), the Wisconsin Center for the Blind
 14 and Visually Impaired ^{or} the Wisconsin School for the Deaf. It includes
 15 school-operated early childhood programs for developmentally delayed and disabled
 16 4-year-old and 5-year-old children.

17 **SECTION 1427h.** 49.45 (39) (am) of the statutes is amended to read:

18 49.45 (39) (am) *Plan amendment.* No later than September 30, 1995, the
 19 department shall submit to the federal department of health and human services an
 20 amendment to the state medical assistance plan to permit the application of pars. (b)
 21 to and (c). If the amendment to the state plan is approved, school districts and,
 22 cooperative educational service agencies and the department of public instruction on
 23 behalf of the Wisconsin Center for the Blind and Visually Impaired and the
 24 Wisconsin School for the Deaf ^{state space} claim reimbursement under pars. (b) to and (c).
 25 Paragraphs (b) to and (c) do not apply unless the amendment to the state plan is

1 approved and in effect. The department shall submit to the federal department of
2 health and human services an amendment to the state plan if necessary to permit
3 the application of pars. (b) and (c) to the Wisconsin Center for the Blind and Visually
4 Impaired and the Wisconsin School for the Deaf.

5 SECTION 1427i. 49.45 (39) (b) of the statutes is renumbered 49.45 (39) (b) 1. and

6 amended to read:

Is there an extra space here?

7 49.45 (39) (b) 1. 'Payment for school medical services.' If a school district or

8 a cooperative educational service agency elects to provide school medical services
9 and meets all requirements under par. (c), the department shall reimburse the school
10 district or the cooperative educational service agency for 60% of the federal share of
11 allowable charges for the school medical services that it provides and, as specified

12 in subd. 2., for allowable ^{plain} administrative costs. If the Wisconsin Center for the Blind

13 and Visually Impaired or the ^{score space} Wisconsin School for the Deaf elects to provide school

14 medical services and meets all requirements under par. (c), the department shall

15 reimburse the department of public instruction for 60% of the federal share of

16 allowable charges for the school medical services that the Wisconsin Center for the

17 Blind and Visually Impaired or the ^{score space} Wisconsin School for the Deaf provides and, as

18 specified in subd. 2., for allowable administrative costs. A school district, cooperative

19 educational service agency, the Wisconsin Center for the Blind and Visually

20 Impaired or the Wisconsin School for the Deaf may submit, and the department shall

21 allow, claims for common carrier transportation costs as a school medical service

22 unless the department receives notice from the federal health care financing

23 administration that, under a change in federal policy, the claims are not allowed. If

24 the department receives the notice, a school district, cooperative educational service

25 agency, the Wisconsin Center for the Blind and Visually Impaired or the Wisconsin

1 School for the Deaf may submit, and the department shall allow, unreimbursed
2 claims for common carrier transportation costs incurred before the date of the change
3 in federal policy. The department shall promulgate rules establishing a methodology
4 for making reimbursements under this paragraph. All other expenses for the school
5 medical services provided by a school district or a cooperative educational service
6 agency shall be paid for by the school district or the cooperative educational service
7 agency with funds received from state or local taxes. The school district, the
8 Wisconsin Center for the Blind and Visually Impaired, the Wisconsin School for the
9 Deaf or the cooperative educational service agency shall comply with all
10 requirements of the federal department of health and human services for receiving
11 federal financial participation.

12 **SECTION 1427j.** 49.45 (39) (b) 2. of the statutes is created to read:

13 49.45 (39) (b) 2. 'Payment for school medical services administrative costs.' The
14 department shall reimburse a school district or a cooperative educational service
15 agency specified under subd. 1. and shall reimburse the department of public
16 instruction on behalf of the Wisconsin Center for the Blind and Visually Impaired or
17 the Wisconsin School for the Deaf for 90% of the federal share of allowable
18 administrative costs, on a quarterly basis, using time studies, beginning in the first
19 quarter of fiscal year 1999–2000. A school district or a cooperative education service
20 agency may submit, and the department of health and family services shall allow,
21 claims for administrative costs incurred during the period that is up to 24 months
22 before the date of the claim, if allowable under federal law.

23 **SECTION 1428.** 49.45 (46) of the statutes is created to read:

24 49.45 (46) ALCOHOL AND OTHER DRUG ABUSE RESIDENTIAL TREATMENT SERVICES. (a)
25 If a county, city, town or village elects to become certified as a provider of alcohol and

1 other drug abuse residential treatment services or to contract with a certified
2 provider to provide the services, the county, city, town or village may provide directly
3 or under contract alcohol and other drug abuse residential treatment services in
4 facilities with fewer than 16 beds under this subsection in the county, city, town or
5 village to medical assistance recipients through the medical assistance program. A
6 county, city, town or village that elects to provide or to contract for the services shall
7 pay the amount of the allowable charges for the services under the medical
8 assistance program that is not provided by the federal government. The department
9 shall reimburse the county, city, town or village under this subsection only for the
10 amount of the allowable charges for those services under the medical assistance
11 program that is provided by the federal government.

12 (b) This subsection does not apply after July 1, 2003.

13 **SECTION 1429.** 49.45 (47) of the statutes is created to read:

14 **49.45 (47) ADULT DAY CARE CENTERS.** (a) In this subsection, “adult day care
15 center” means an entity that provides services for part of a day in a group setting to
16 adults who need an enriched health–supportive or social experience and who may
17 need assistance with activities of daily living, supervision or protection.

18 (b) No person may receive reimbursement under s. 46.27 (11) for the provision
19 of services to clients in an adult day care center unless the adult day care center is
20 certified by the department under sub. (2) (a) 11. as a provider of medical assistance.

21 (c) The biennial fee for the certification required under par. (b) of an adult day
22 care center is \$89, plus a biennial fee of \$17.80 per client, based on the number of
23 clients that the adult day care center is certified to serve. Fees collected under this
24 paragraph shall be credited to the appropriation account under s. 20.435 (6) (jm).

25 (d) The department, by rule, may increase any fee specified in par. (c).

1 **SECTION 1430.** 49.453 (4) (title) of the statutes is amended to read:

2 49.453 (4) (title) IRREVOCABLE ANNUITIES, PROMISSORY NOTES AND SIMILAR
3 TRANSFERS.

4 **SECTION 1431.** 49.453 (4) (a) of the statutes is renumbered 49.453 (4) (a) (intro.)
5 and amended to read:

6 49.453 (4) (a) (intro.) For the purposes of sub. (2), whenever a covered
7 individual or his or her spouse, or another person acting on behalf of the covered
8 individual or his or her spouse, transfers assets to an irrevocable annuity, or
9 transfers assets by promissory note or similar instrument, in an amount that exceeds
10 the expected value of the benefit, the covered individual or his or her spouse transfers
11 assets for less than fair market value. A transfer to an annuity, or a transfer by
12 promissory note or similar instrument, is not in excess of the expected value only if
13 all of the following are true:

14 **SECTION 1432.** 49.453 (4) (a) 1. and 2. of the statutes are created to read:

15 49.453 (4) (a) 1. a. The periodic payments back to the transferor include
16 principal and interest that, at the time that the transfer is made, is at least at one
17 of the following:

18 a. For an annuity, promissory note or similar instrument that is not specified
19 under subd. 1. b. or par. (am), the applicable federal rate required under section 1274
20 (d) of the Internal Revenue Code, as defined in s. 71.01 (6).

21 b. For an annuity with a guaranteed life payment, the appropriate average of
22 the applicable federal rates based on the expected length of the annuity minus 1.5%.

23 2. The terms of the instrument provide for a payment schedule that includes
24 equal periodic payments, except that payments may be unequal if the interest

1 payments are tied to an interest rate and the inequality is caused exclusively by
2 fluctuations in that rate.

3 **SECTION 1432g.** 49.453 (4) (am) of the statutes is created to read:

4 49.453 (4) (am) Paragraph (a) 1. does not apply to a variable annuity that is
5 tied to a mutual fund that is registered with the federal securities and exchange
6 commission.

7 **SECTION 1433.** 49.453 (4) (c) of the statutes is amended to read:

8 49.453 (4) (c) The department shall promulgate rules specifying the method to
9 be used in calculating the expected value of the benefit, based on 26 CFR 1.72–1 to
10 1.72–18, and specifying the criteria for adjusting the expected value of the benefit
11 based on a medical condition diagnosed by a physician before the assets were
12 transferred to the annuity, or transferred by promissory note or similar instrument.
13 In calculating the amount of the divestment when a transfer to an annuity, or a
14 transfer by promissory note or similar instrument, is made, payments made to the
15 transferor in any year subsequent to the year in which the transfer was made shall
16 be discounted to the year in which the transfer was made by the applicable federal
17 rate specified under par. (a) on the date of the transfer.

18 **SECTION 1433t.** 49.46 (1) (a) 1m. of the statutes is amended to read:

19 49.46 (1) (a) 1m. Any pregnant woman who meets the ~~resource and~~ income
20 limits under s. 49.19 (4) ~~(bm)~~ and (es) and whose pregnancy is medically verified.
21 Eligibility continues to the last day of the month in which the 60th day after the last
22 day of the pregnancy falls.

23 **SECTION 1433tm.** 49.46 (1) (a) 6. of the statutes is amended to read:

24 49.46 (1) (a) 6. Any person not described in pars. (c) to (e) who is, without regard
25 to the individual's resources, would be considered, under federal law, to be receiving

1 aid to families with dependent children for the purpose of determining eligibility for
2 medical assistance.

3 **SECTION 1433u.** 49.46 (1) (a) 12. of the statutes is amended to read:

4 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years
5 of age and who meets the resource and income limits under s. 49.19 (4) (es).

6 **SECTION 1433v.** 49.46 (1) (a) 14m. of the statutes is created to read:

7 49.46 (1) (a) 14m. Any person who would meet the financial and other eligibility
8 requirements for home or community-based services under the family care benefit
9 but for the fact that the person engages in substantial gainful activity under 42 USC
10 1382c (a) (3), if a waiver under s. 46.281 (1) (c) is in effect or federal law permits
11 federal financial participation for medical assistance coverage of the person and if
12 funding is available for the person under the family care benefit.

13 **SECTION 1433x.** 49.46 (1) (a) 16. of the statutes is amended to read:

14 49.46 (1) (a) 16. Any child person who is living with a relative who is eligible
15 to receive payments under s. 48.57 (3m) ~~or~~, (3n) or (3o) with respect to that child
16 person, if the department determines that no other insurance is available to the child
17 person.

18 **SECTION 1434.** 49.46 (1p) of the statutes is created to read:

19 49.46 (1p) **DEMONSTRATION PROJECT FOR PERSONS WITH HIV.** The department
20 shall request a waiver from the secretary of the federal department of health and
21 human services to allow the department to provide under this section coverage of
22 services specified under sub. (2) for persons who have HIV infection, as defined in s.
23 252.01 (2). If a waiver is granted and in effect, the department shall provide coverage
24 for the services specified under sub. (2) for persons who qualify under the terms of
25 the waiver.

1 **SECTION 1435.** 49.46 (2) (b) 8. of the statutes is amended to read:

2 49.46 (2) (b) 8. Home or community–based services, if provided under s. 46.27
3 (11), 46.275, 46.277 or 46.278 or under the family care benefit if a waiver is in effect
4 under s. 46.281 (1) (c).

5 **SECTION 1437.** 49.46 (2) (b) 18. of the statutes is created to read:

6 49.46 (2) (b) 18. Alcohol or other drug abuse residential treatment services of
7 no more than 45 days per treatment episode, under s. 49.45 (46). This subdivision
8 does not apply after July 1, 2003.

9 **SECTION 1437m.** 49.47 (4) (a) 1. of the statutes is amended to read:

10 49.47 (4) (a) 1. ~~Under 18~~ At least 19 years of age but under 21 years of age ~~or,~~
11 ~~if and~~ the person resides in an intermediate care facility, skilled nursing facility or
12 inpatient psychiatric hospital, ~~under 21 years of age.~~

13 **SECTION 1437n.** 49.47 (4) (a) 2. of the statutes is renumbered 49.47 (4) (ag) 2.

14 **SECTION 1437p.** 49.47 (4) (ag) (intro.) of the statutes is created to read:

15 49.47 (4) (ag) (intro.) Any individual who meets the limitations on income
16 under par. (c) and who complies with par. (cm) shall be eligible for medical assistance
17 under this section if such individual is:

18 **SECTION 1437q.** 49.47 (4) (ag) 1. of the statutes is created to read:

19 49.47 (4) (ag) 1. Under the age of 19.

20 **SECTION 1438.** 49.47 (4) (as) 1. of the statutes is amended to read:

21 49.47 (4) (as) 1. The person would meet the financial and other eligibility
22 requirements for home or community–based services under s. 46.27 (11) or 46.277
23 or under the family care benefit if a waiver is in effect under s. 46.281 (1) (c) but for
24 the fact that the person engages in substantial gainful activity under 42 USC 1382c
25 (a) (3).

1 **SECTION 1439.** 49.47 (4) (as) 3. of the statutes is amended to read:

2 49.47 (4) (as) 3. Funding is available for the person under s. 46.27 (11) or 46.277
3 or under the family care benefit if a waiver is in effect under s. 46.281 (1) (c).

4 **SECTION 1439m.** 49.47 (4) (cm) 3. of the statutes is created to read:

5 49.47 (4) (cm) 3. An individual who is otherwise eligible under this subsection
6 and who has set aside funds in an irrevocable burial trust under s. 445.125 (1) (a) 2.
7 shall, as a condition of eligibility for medical assistance, specify the state as a
8 secondary beneficiary of the trust with respect to all funds in the trust that exceed
9 the burial costs but do not exceed the amount of medical assistance paid on behalf
10 of the individual.

11 **SECTION 1439m.** 49.47 (4) (b) 2m. a. of the statutes is amended to read:

12 49.47 (4) (b) 2m. a. For persons who are eligible under par. (a) 1. ~~or 2.~~, one
13 vehicle is exempt from consideration as an asset. A 2nd vehicle is exempt from
14 consideration as an asset only if the department determines that it is necessary for
15 the purpose of employment or to obtain medical care. The equity value of any
16 nonexempt vehicles owned by the applicant is an asset for the purposes of
17 determining eligibility for medical assistance under this section.

18 **SECTION 1439q.** 49.47 (6) (a) 7. of the statutes is amended to read:

19 49.47 (6) (a) 7. Beneficiaries eligible under sub. (4) ~~(a) 2.~~ (ag) 2. or (am) 1., for
20 services under s. 49.46 (2) (a) and (b) that are related to pregnancy, including
21 postpartum services and family planning services, as defined in s. 253.07 (1) (b), or
22 related to other conditions which may complicate pregnancy.

23 **SECTION 1440.** 49.472 of the statutes is created to read:

24 **49.472 Medical assistance purchase plan. (1) DEFINITIONS.** In this section:

25 (a) “Earned income” has the meaning given in 42 USC 1382a (a) (1).

1 (am) “Family” means an individual, the individual’s spouse and any dependent
2 child, as defined in s. 49.141 (1) (c), of the individual.

3 (b) “Health insurance” means surgical, medical, hospital, major medical or
4 other health service coverage, including a self-insured health plan, but does not
5 include hospital indemnity policies or ancillary coverages such as income
6 continuation, loss of time or accident benefits.

7 (c) “Independence account” means an account approved by the department that
8 consists solely of savings, and dividends or other gains derived from those savings,
9 from income earned from paid employment after the initial date that an individual
10 began receiving medical assistance under this section.

11 (d) “Medical assistance purchase plan” means medical assistance, eligibility for
12 which is determined under this section.

13 (e) “Unearned income” has the meaning given in 42 USC 1382a (a) (2).

14 **(2) WAIVERS AND AMENDMENTS.** The department shall submit to the federal
15 department of health and human services an amendment to the state medical
16 assistance plan, and shall request any necessary waivers from the secretary of the
17 federal department of health and human services, to permit the department to
18 expand medical assistance eligibility as provided in this section. If the state plan
19 amendment and all necessary waivers are approved and in effect, the department
20 shall implement the medical assistance eligibility expansion under this section not
21 later than January 1, 2000, or 3 months after full federal approval, whichever is
22 later.

23 **(3) ELIGIBILITY.** Except as provided in sub. (6) (a), an individual is eligible for
24 and shall receive medical assistance under this section if all of the following
25 conditions are met:

1 (a) The individual's family's net income is less than 250% of the poverty line for
2 a family the size of the individual's family. In calculating the net income, the
3 department shall apply all of the exclusions specified under 42 USC 1382a (b).

4 (b) The individual's assets do not exceed \$15,000. In determining assets, the
5 department may not include assets that are excluded from the resource calculation
6 under 42 USC 1382b (a) or assets accumulated in an independence account. The
7 department may exclude, in whole or in part, the value of a vehicle used by the
8 individual for transportation to paid employment.

9 (c) The individual would be eligible for supplemental security income for
10 purposes of receiving medical assistance but for evidence of work, attainment of the
11 substantial gainful activity level, earned income and unearned income in excess of
12 the limit established under 42 USC 1396d (q) (2) (B) and (D).

13 (e) The individual is legally able to work in all employment settings without
14 a permit under s. 103.70.

15 (f) The individual maintains premium payments calculated by the department
16 in accordance with sub. (4), unless the individual is exempted from premium
17 payments under sub. (4) (b) or (5).

18 (g) The individual is engaged in gainful employment or is participating in a
19 program that is certified by the department to provide health and employment
20 services that are aimed at helping the individual achieve employment goals.

21 (h) The individual meets all other requirements established by the department
22 by rule.

23 (4) PREMIUMS. (a) Except as provided in par. (b) and sub. (5), an individual who
24 is eligible for medical assistance under sub. (3) and receives medical assistance shall

1 pay a monthly premium to the department. The department shall establish the
2 monthly premiums by rule in accordance with the following guidelines:

3 1. The premium for any individual may not exceed the sum of the following:

4 a. Three and one-half percent of the individual's earned income after the
5 disregards specified in subd. 2m.

6 b. One hundred percent of the individual's unearned income after the
7 deductions specified in subd. 2.

8 2. In determining an individual's unearned income under subd. 1., the
9 department shall disregard all of the following:

10 a. A maintenance allowance established by the department by rule. The
11 maintenance allowance may not be less than the sum of \$20, the federal
12 supplemental security income payment level determined under 42 USC 1382 (b) and
13 the state supplemental payment determined under s. 49.77 (2m).

14 b. Medical and remedial expenses and impairment-related work expenses.

15 2m. If the disregards under subd. 2. exceed the unearned income against which
16 they are applied, the department shall disregard the remainder in calculating the
17 individual's earned income.

18 3. The department may reduce the premium by 25% for an individual who is
19 covered by private health insurance.

20 (b) The department may waive monthly premiums that are calculated to be
21 below \$10 per month. The department may not assess a monthly premium for any
22 individual whose income level, after adding the individual's earned income and
23 unearned income, is below 150% of the poverty line.

24 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s. 20.435
25 (7) (bd), the department may pay all or a portion of the monthly premium calculated

1 under sub. (4) (a) for an individual who is a participant in the community options
2 program under s. 46.27 (11).

3 (6) INSURED PERSONS. (a) Notwithstanding sub. (4) (a) 3., from the
4 appropriation under s. 20.435 (4) (b), the department shall, on the part of an
5 individual who is eligible for medical assistance under sub. (3), pay premiums for or
6 purchase individual coverage offered by the individual's employer if the department
7 determines that paying the premiums for or purchasing the coverage will not be more
8 costly than providing medical assistance.

9 (b) If federal financial participation is available, from the appropriation under
10 s. 20.435 (4) (b), the department may pay medicare Part A and Part B premiums for
11 individuals who are eligible for medicare and for medical assistance under sub. (3).

12 (7) DEPARTMENT DUTIES. The department shall do all of the following:

13 (a) Determine eligibility, or contract with a county department, as defined in
14 49.45 (6c) (a) 3., or with a tribal governing body to determine eligibility, of individuals
15 for the medical assistance purchase plan in accordance with sub. (3).

16 (b) Ensure, to the extent practicable, continuity of care for a medical assistance
17 recipient under this section who is engaged in paid employment, or is enrolled in a
18 home-based or community-based waiver program under section 1915 (c) of the
19 Social Security Act, and who becomes ineligible for medical assistance.

20 **SECTION 1441.** 49.475 (5) of the statutes is amended to read:

21 49.475 (5) REIMBURSEMENT OF COSTS. From the appropriations under s. 20.435
22 ~~(1)~~ (4) (bm) and ~~(p)~~ (pa), the department shall reimburse an insurer that provides
23 information under this section for the insurer's reasonable costs incurred in
24 providing the requested information, including its reasonable costs, if any, to develop

1 and operate automated systems specifically for the disclosure of information under
2 this section.

3 **SECTION 1441g.** 49.48 (1) of the statutes is amended to read:

4 49.48 (1) The Except as provided in sub. (1m), the department shall require
5 each applicant to provide the department with the applicant's social security
6 number, if the applicant is an individual, as a condition of issuing or renewing a
7 certification under s. 49.45 (2) (a) 11. as an eligible provider of services.

8 **SECTION 1441h.** 49.48 (1m) of the statutes is created to read:

9 49.48 (1m) If an individual who applies for or to renew a certification under
10 sub. (1) does not have a social security number, the individual, as a condition of
11 obtaining the certification, shall submit a statement made or subscribed under oath
12 or affirmation to the department that the applicant does not have a social security
13 number. The form of the statement shall be prescribed by the department of
14 workforce development. A certification issued or renewed in reliance upon a false
15 statement submitted under this subsection is invalid.

16 **SECTION 1444.** 49.496 (2) (title) of the statutes is amended to read:

17 49.496 (2) (title) LIENS ON THE HOMES OF NURSING HOME RESIDENTS AND INPATIENTS
18 AT HOSPITALS.

19 **SECTION 1445.** 49.496 (2) (a) of the statutes is amended to read:

20 49.496 (2) (a) Except as provided in par. (b), the department may obtain a lien
21 on a recipient's home if the recipient resides in a nursing home, or if the recipient
22 resides in a hospital and is required to contribute to the cost of care, and the recipient
23 cannot reasonably be expected to be discharged from the nursing home or hospital
24 and return home. The lien is for the amount of medical assistance paid on behalf of