

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **06/5/99**

Received By: **yacketa**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Simpson**

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

Drafter: **yacketa**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income
Public Assistance - misc**

Extra Copies: **MES**

Pre Topic:

LFB:.....Simpson -

Topic:

TANF for EITC

Instructions:

See Attached; AB 243

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	yacketa 06/8/99	chanaman 06/8/99	kfollet 06/9/99	_____	lrb_docadmin 06/9/99		

FE Sent For:

<END>

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See Attached; AB ~~148~~ 354

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1?	yacketa	cmH PI		_____			
FE Sent For:		6/8	KJF 6/8	KJF/km 6/8			
				<END>			

Representative Gard
Senator Burke
Senator Moore
Senator Plache
Senator Cowles
Senator Panzer

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Temporary Assistance to Needy Families (TANF)

Motion:

Move to approve the Governor's recommendations contained in Fiscal Bureau Papers #1081 through #1105 and #1107 through #1115 with the following modifications:

1. LFB Paper #1081. Modification. Modify the Governor's proposal to account for the following inadvertent errors and reestimates: (a) a decrease of \$66,700 annually in program revenue from repayments of job access loans; (b) an increase in child support program revenue of \$9,732,300 in 1999-00 and \$10,402,100 in 2000-01; (c) a decrease of \$2,133,800 in 1999-00 in carryover funding from 1998-99; (d) an increase of \$5,000,000 in 1999-00 in the amount of funding retained by the state from the profit formula under the W-2 agency contracts; (e) a decrease in expenditures of \$1,900 FED in 1999-00 and \$24,300 FED in 2000-01 for the caretaker supplement; (f) an increase in expenditures of \$2,512,600 FED in 1999-00 and \$3,983,500 FED in 2000-01 for child support payments; (g) a decrease in funding transferred to DHFS for the social services block grant of \$6,100 FED in 2000-01; (h) a reduction in DWD's appropriations for the federal TANF and child care block grants of \$62,921,700 in 1999-00 and \$76,629,400 in 2000-01 to account for an inadvertent error; and (i) an increase in DWD's appropriation for federal local assistance by \$5,238,800 annually.

*No
draft
allocation*

2. LFB Paper #1082. Alternative 1. Decrease funding for the earned income tax credit (EITC) by \$1,800,000 GPR in 1999-00 and \$3,600,000 GPR in 2000-01 to reflect a reestimate of funding needed for the credit.

*No
draft*

3. LFB Paper #1082. Alternative 2. Provide \$58,000,000 in 1999-00 and \$61,000,000 in 2000-01 in a newly created annual PR-S appropriation consisting of TANF revenues transferred from DWD to fund the share of the EITC permitted under federal law. Decrease GPR funding for the EITC by the same amounts and specify that the GPR appropriation would be used to cover the costs of the credit that are not paid from the TANF appropriation. Increase DWD's appropriation for public assistance benefits and administration by \$24,050,000 GPR in the first year and \$20,450,000 GPR in the second year to provide adequate funds to cover the TANF MOE requirement and BadgerCare income maintenance. Federal TANF funds currently allocated to W-2 would be reduced by \$24,050,000 in 1999-00 and \$20,450,000 in 2000-01 to account for DWD's increased

*TANF
mes
50535*

*multiple
allocation*

GPR funding.

60535
TAY
MS
35/249
4. LFB Paper #1082. Alternative 3. Provide \$58,000,000 in 1998-99 in a newly created annual PR-S appropriation consisting of TANF revenues transferred from DWD to fund the share of the EITC permitted under federal law. Decrease GPR funding for the EITC by the same amount and specify that the GPR appropriation would be used to cover the cost of the credit that is not paid from the TANF appropriation. Increase DWD's appropriation for public assistance benefits and administration by \$24,300,000 GPR in 1998-99 to provide adequate funds to cover the TANF MOE requirement. Federal TANF funds currently allocated to W-2 would be reduced by \$24,300,000 to account for DWD's increased GPR funding. This option, which is similar to AB 249, would increase the 1999-00 opening balance in the general fund by \$33,700,000 and decrease the opening TANF balance by the same amount.

49,125
TAY
allocation
5. LFB Paper #1083. Alternative 2. Modify the statutory allocations for the W-2 program by reducing the amount identified for subsidized employment benefits by \$7,661,800 in 1999-00 FED and \$15,313,400 FED in 2000-01. In addition, reduce the amounts for performance bonuses by \$536,300 FED in 1999-00 and \$1,071,900 FED in 2000-01. This adjustment would make the benefit allocations in the bill consistent with the RFP, but would not transfer the savings to the allocation for administration.

6. LFB Paper #1083. Alternative 9. Modify the benefit allocations related to funding for the next W-2 agency contracts to reflect both a minimum allocation for each agency of five cases per month, and to reflect a 1.0% monthly decrease in the statewide caseload. Decrease funding by: (a) \$6,688,900 FED in 1999-00 and \$13,378,000 FED in 2000-01 for subsidized employment benefits; and (b) \$468,300 FED in 1999-00 and \$936,500 FED in 2000-01 for performance bonuses.

allocation
7. LFB Paper #1083. Alternative 10. Reduce funding for W-2 contracts by \$3,792,000 FED in 1999-00 and \$7,583,900 FED in 2000-01 to account for sanctions imposed on W-2 recipients. Specify that sanctions would be recovered from the W-2 agency as they are imposed by the agency on participants.

60536
TAY
8. LFB Paper #1083. Alternative 14. Modify the Governor's proposal to specify that any dollars withheld, reduced or recovered from a W-2 agency because the agency has failed to satisfactorily perform its responsibilities under the contract would be added to the unallocated balance of unexpended TANF revenues that would be carried forward to the next fiscal year.

60537
TAY
9. LFB Paper #1083. Alternative 15. Modify the Governor's recommendation to clarify that funding for subsidized employment benefits, administrative services, performance bonuses and agency start-up expenses is provided for the next W-2 agency contracts effective January 1, 2000 through December 31, 2001.

60538
TAY
9.5 Modify the W-2 nonentitlement provision by requiring that a W-2 agency place a person who meets the eligibility requirements into a subsidized employment position under the W-2 program within 30 days of application if the person has made a reasonable search for employment

1999

Date (time) needed

Soon

LRB b 0535 / P1

LFB BUDGET AMENDMENT [ONLY FOR LFB]

Ty/mes: CMH: R m/r

See form AMENDMENTS — COMPONENTS & ITEMS.

LFB AMENDMENT TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

#. Page 443, line 13: delete "and 20.465 (4)(K)" and substitute "20.465 (4)(K) and 20.835(2)(Kf)".

#. Page 471, line 1: after "the" insert "excess".

#. Page 471, line 2: after "(K)" insert "that are not paid under par. (Kf)".

#. Page 471, line 4: after that line insert:

INSERT 1 ->

#. Page 856, line 2: after that line insert:

INSERT 2 ->

Appropriation changes

#. Page 1446, line 18: after that line insert:

(2) EARNED INCOME TAX CREDIT. On the effective date of this subsection there is transferred \$58,000,000 from the appropriation account under Section 20.445(3)(md) of the statutes, as affected by this act, to the general fund to reimburse the general fund for earned income tax credits paid for the taxable year that began on January 1, 1998. (END)

ASSEMBLY BILL 354

1 SECTION 5. 20.835 (2) (f) of the statutes, as affected by 1999 Wisconsin Act
2 (this act), is amended to read:

3 20.835 (2) (f) *Earned income tax credit*. A sum sufficient to pay the excess
4 claims approved under s. 71.07 (9e), except the claims paid under par. (k), that are
5 not paid under par. (kf). 612m B.

6 "SECTION 6. 20.835 (2) (kf) of the statutes is created to read:

7 20.835 (2) (kf) *Earned income tax credit; temporary assistance for needy*
8 *families*. The amounts in the schedule to be used to pay, to the extent permitted
9 under federal law, the claims approved under s. 71.07 (9e), except the claims paid
10 under par. (k). All moneys transferred from the appropriation account under s.
11 20.445 (3) (md) shall be credited to this account.

INSERT
1

12 ~~SECTION 7. 20.835 (2) (kf) of the statutes, as created by 1999 Wisconsin Act~~
~~(this act), is repealed.~~ 1719m.
NOTE: \$24,300,000 should be added to the appropriation under s. 20.445 (3)(d2).

13 (this act), is repealed.
14 "SECTION 8. 71.07 (9e) (f) of the statutes is amended to read:

15 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
16 amount of the claim under this subsection exceeds the taxes otherwise due under this
17 chapter or no taxes are due under this chapter, the amount of the claim not used to
18 offset taxes due shall be certified by the department of revenue to the department
19 of administration for payment by check, share draft or other draft drawn from the
20 appropriation under s. 20.835 (2) (f) ~~or~~ (kf). (END OF INSERT)

INSERT
2

21 SECTION 9. 71.07 (9e) (f) of the statutes, as affected by 1999 Wisconsin Act
22 (this act), is amended to read:

23 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
24 amount of the claim under this subsection exceeds the taxes otherwise due under this
25 chapter or no taxes are due under this chapter, the amount of the claim not used to

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0535/P1dn
TAY.....

Rob Reinhardt and Joanne Simpson:

This draft does not treat s. 20.835 (2) (k) since that ~~is treated~~ ^{provision} in LRBb0545, in which the wage-paying CSJs are deleted. If you have any questions, please don't hesitate to call me. ^{repealed}

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

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

LRBb0535/P1dn
TAY:cmh:kjf

June 8, 1999

Rob Reinhardt and Joanne Simpson:

This draft does not treat, or refer to, s. 20.835 (2) (k) since that provision is repealed in LRBb0545, in which the wage-paying CSJs are deleted. If you have any questions, please don't hesitate to call me.

Tina A. Yacker
Legislative Attorney
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E-mail: Tina.Yacker@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0535/P1
TY/MES:cmh:kjf

LFB:.....Simpson - TANF for EITC

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 443, line 13: delete "and 20.465 (4) (k)" and substitute "20.465 (4) (k)
3 and 20.835 (2) (kf)".

4 **2.** Page 471, line 1: after "the" insert "excess".

5 **3.** Page 471, line 2: after "(k)" insert "that are not paid under par. (kf)".

6 **4.** Page 471, line 4: after that line insert:

7 "SECTION 612m. 20.835 (2) (kf) of the statutes is created to read:

8 20.835 (2) (kf) *Earned income tax credit; temporary assistance for needy*
9 *families.* The amounts in the schedule to be used to pay, to the extent permitted
10 under federal law, the claims approved under s. 71.07 (9e). All moneys transferred

1 from the appropriation account under s. 20.445 (3) (md) shall be credited to this
2 account.”.

****NOTE: \$24,300,000 should be added to the appropriation under s. 20.445 (3) (dz).

3 **5.** Page 856, line 2: after that line insert:

4 “**SECTION 1719m.** 71.07 (9e) (f) of the statutes is amended to read:

5 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
6 amount of the claim under this subsection exceeds the taxes otherwise due under this
7 chapter or no taxes are due under this chapter, the amount of the claim not used to
8 offset taxes due shall be certified by the department of revenue to the department
9 of administration for payment by check, share draft or other draft drawn from the
10 appropriation under s. 20.835 (2) (f) or (kf).”.

11 **6.** Page 1446, line 18: after that line insert:

12 “(2g) EARNED INCOME TAX CREDIT. On the effective date of this subsection there
13 is transferred \$58,000,000 from the appropriation account under section 20.445 (3)
14 (md) of the statutes, as affected by this act, to the general fund to reimburse the
15 general fund for earned income tax credits paid for the taxable year that began on
16 January 1, 1998.”.

17 (END)