

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: Public Assistance - misc

Extra Copies:

Pre Topic:

LFB:.....Simpson -

Topic:

Emergency assistance

Instructions:

See Attached;

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	yacketa 06/6/99	chanaman 06/7/99		_____			
/1			mclark 06/8/99	_____	lrb_docadmin 06/8/99		
/2	yacketa 06/12/99	wjackson 06/12/99	martykr 06/12/99	_____	lrb_docadmin 06/13/99		

FE Sent For:

<END>

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km/12 *km/12*

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/?	yacketa	cmn 6/7 /	MRC 6/8	MRC/JF 6/8			

FE Sent For:

<END>

Provide an additional \$10,900 PR in 1999-00 to reflect one-time costs to implement the change in the benefit level. Provide a corresponding increase in federal TANF funds budgeted in DWD. Specify that the effective date of the modification would be November 1, 1999, or the day after publication of the bill, whichever is later.

39. LFB Paper #1099. Alternative 4. Modify the Governor's proposal by specifying that a person could be eligible for emergency assistance if the person is in danger of becoming homeless, as evidenced by a notice of impending foreclosure action or a notice terminating tenancy.

40. LFB Paper #1100. Alternative 2. Adopt the Governor's recommendation to increase the reimbursement for services provided under the Children First program to \$400 per participant. Decrease funding for the program by \$176,400 FED each year to reflect recent participation levels. Total funding of \$1,140,000 per year would be provided under this alternative.

41. LFB Paper #1101. Decrease funding by \$2,500,000 FED in each year. Under this alternative, annual funding for the early childhood excellence initiative would be \$7,500,000 rather than \$10,000,000.

42. LFB Paper #1102. Alternative A2. Modify the Governor's proposal by: (a) specifying that funding would have to be used for job readiness and placement services to unemployed persons; basic skills development; post employment services to assist with job retention; incumbent worker training to promote job advancement and increased earnings; and services to employers to retain workers and provide career progression paths; (b) requiring that DWD allocate an equal amount of funding to each W-2 agency, with additional funding provided based on the agency's case management, FSET, diversion, noncustodial parent, and child care cases; and to workforce development area boards based on a formula that considers the population under 200% of the federal poverty level in the area, labor force participation and local unemployment rates; and (c) requiring DWD to include in all contracts for workforce attachment funds performance measures based on employment placement for unemployed persons, job retention, increased earnings and increased child support collections for noncustodial parents.

43. LFB Paper #1102. Alternative A5. Modify the Governor's proposal by reducing funding for the workforce attachment fund by \$10,000,000 FED in 2000-01. Total funding would be \$10,000,000 annually.

44. LFB Paper #1102. Alternative A6. Place all funds for the workforce attachment program into the Committee's appropriation for release under s. 13.10 upon approval of specifics regarding the program's design and planned implementation.

45. LFB Paper #1103. Provide \$7,500,000 FED in each year for the community youth grants program, an increase of \$2,500,000 in 1999-00 and a decrease of \$7,500,000 in 2000-01, compared to the bill. Of this funding, provide \$3,150,000 in 1999-00 and \$3,650,000 in 2000-01 to the following local organizations: (a) \$1,300,000 annually for Boys & Girls Clubs of America; (b) \$75,000 annually for Silver Spring Neighborhood Association; (c) \$1,000,000 in 1999-00 and \$1,500,000 in 2000-01 for the Safe and Sound Initiative; (d) \$125,000 annually for the Good



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 1, 1999

Joint Committee on Finance

Paper #1099

TANF

Payment Procedures, Job Access Loans and the Emergency Assistance Program (DWD -- Economic Support and Child Care)

[LFB 1999-01 Budget Summary: Page 691, #24]

CURRENT LAW

Payment Procedures: Current law contains no provisions regarding the procedures related to the payment of grants for participation in W-2 employment positions.

Job Access Loans: Under current law, an individual who meets the eligibility requirements for participation in a W-2 subsidized employment position may also be eligible for a job access loan if the individual: (a) needs the loan to address an immediate and discrete financial crisis that is not the result of the individual's failure to accept a bona fide offer of employment or the individual's termination of a job without good cause; (b) needs the loan to obtain or continue employment, including a loan that is needed to repair a vehicle that is needed to obtain or continue employment; (c) is not in default with respect to the repayment of any previous job access loan or repayment of any grant or wage overpayments; and (d) is not a migrant worker.

In general, individuals who are under the age of 18 are not eligible for W-2 employment positions or job access loans. However, if the person will be 18 within two months of the date of application, the person may be eligible for a loan if the individual is in kinship care, a foster home, a group home, or an adult-supervised independent living arrangement approved by the W-2 agency. In addition, the individual must have graduated from high school or met the standards for the granting of a declaration of equivalency of high school graduation.

The Emergency Assistance Program: Under current law, the Department is required to implement a program of emergency assistance to needy persons in cases of fire, flood, natural

disaster, homelessness or energy crisis. "Needy person" is to be defined by DWD by rule. The draft proposed rule specifies that needy persons consist of a group whose members: (a) are residents of Wisconsin or migrant workers; (b) are U.S. citizens or qualifying aliens; (c) consist of a minor child living with a qualified caretaker relative; and (d) are in need of assistance to avoid destitution of the child or to provide a living arrangement for the child in a home that did not result from the child or a qualified caretaker relative refusing without good cause to accept employment or training for employment. The total financial need of an emergency assistance group is the extent to which unpaid expenses and the amounts needed to address the emergency exceed the group's income and assets, as determined by the W-2 agency.

The Department also is required to establish the maximum amount of aid to be granted, which does not have to be established by rule. Emergency assistance provided to needy persons in cases of fire, flood, natural disaster or energy crisis may only be provided once in a 12-month period. Emergency assistance provided in cases of homelessness may be used only to obtain a permanent living accommodation and may only be provided once in a 36-month period, except in cases of domestic abuse, emergency assistance may be provided once every 12 months.

A family is considered to be homeless if: (a) the family must leave its current housing because it is uninhabitable as determined by a local building inspector, a local health department or another appropriate local authority; (b) the family has a current residence that is a shelter designed for temporary accommodation such as a motel, hotel, shelter facility or transitional shelter facility; (c) a member of the family was a victim of domestic abuse; (d) the family is without a fixed, regular and adequate nighttime residence; or (e) the family is living in a place that is not designed for, or ordinarily used as, a regular sleeping accommodation.

Funding for emergency assistance totals \$3,300,000 per year (\$1,659,700 GPR and \$1,640,300 FED).

GOVERNOR

Reduce funding by \$1,736,600 (\$416,800 GPR and \$1,319,800 PR) annually for job access loans to reflect a revised estimate of the costs of providing the loans based on actual usage during the first year of the W-2 program. The program revenue represents estimated cash repayments by recipients of job access loans. Under this provision, \$450,000 GPR and \$150,000 PR from estimated cash repayments would be provided for job access loans annually.

Continue to provide \$3,300,000 annually for emergency assistance.

DISCUSSION POINTS

W-2 Payment Procedures

1. The original W-2 legislation did not establish procedures related to the payment of

grants for participants in W-2 employment positions, nor did it require DWD to establish procedures by rule.

2. According to the W-2 policy manual produced by DWD, the W-2 participation period is from the 16th day of one month to the 15th day of the next month. The W-2 payment is provided for completed participation on the first day of the month after the participation period ends. Therefore, depending on when the participant first applies for the W-2 program, a participant might not receive a full benefit payment until 10 weeks later.

3. Although the participant will receive partial payments between the time of application and the first full benefit check, caseworkers and some legislators have expressed concern that families already in a crisis situation may not be able to meet monthly obligations, such as making a rental payment, even though the individual is in compliance with all requirements of the W-2 program.

4. It could be argued that the payment procedures established by DWD most replicate unsubsidized work experiences and are consistent with the Department's philosophy regarding the W-2 program. When the participant moves from the W-2 program to an unsubsidized job, the W-2 payment will be available to cover the needs of the participant until the individual's first paycheck is received. However, the payment procedure may cause short-term hardships for families initially entering the program.

Job Access Loans

5. As described earlier, the bill provides \$600,000 annually (\$450,000 GPR and \$150,000 PR) for job access loans. In a letter dated April 15, 1999, from the Secretary of the Department of Administration to the Co-chairs of the Joint Committee on Finance, the administration indicates that funding for job access loans should be increased by \$416,800 annually to account for recent increases in the use of job access loans. Based on the number and amount of job access loans provided over the last four months, the administration's estimates appear reasonable. If this option is approved, \$416,800 GPR would be transferred from the Department's appropriation for W-2 administration and benefits [20.445 (3)(dz)] to the Department's appropriation for job access loans [20.445 (3)(e)]. As a result, expenditures of federal TANF funding would be increased by that amount.

6. Job access loans are short-term loans designed to meet expenses related to obtaining or maintaining employment, and to prevent a discrete financial crisis from becoming a long-term problem that makes a person dependent upon a W-2 employment position. There is no entitlement to a job access loan. Job access loans are intended to help participants through short-term financial problems by modeling working conditions outside of the W-2 program.

7. Under rules promulgated by DWD, W-2 agencies are required to issue job access loans to eligible individuals. The minimum loan amount available is \$25, and the maximum an individual may receive is \$1,600. The average of all amounts loaned in any 12-month period by a

W-2 agency may not exceed \$800. Emergency payments may be made within 24 to 96 hours of the approval of the job access loan.

8. The W-2 agency must determine a minimum monthly payment amount for each loan, and an individual receiving a loan must submit to the agency a repayment plan for the loan which includes the maximum cash repayment amount and the shortest repayment period that the W-2 agency determines is feasible. At least 25% of the loan amount must be repaid in cash. The remaining 75% may be repaid in cash or through a combination of cash and volunteer in-kind community work approved by the W-2 agency. The volunteer activity is valued at the higher of the state or federal minimum wage rate. If a recipient's repayment plan includes volunteer work, the recipient must find the volunteer opportunity, obtain prior authorization from the W-2 agency and arrange and pay for any needed child care. The participant must repay a job access loan within 12-months, which may be extended to 24 months with the approval of the W-2 agency.

9. According to data provided by the Department through October, 1998, a total of 902 job access loans had been issued statewide. The average loan amount was approximately \$650. Of the 902 loans, 70 had been paid back in full and 832 remained outstanding with an average balance due of \$528. More recent information provided in April, 1999, indicates that 1,209 job access loans are currently open, with an average loan amount of \$500. Of those, 202 had been repaid in the amount of \$24,300.

10. The Department was not able to provide information regarding the number of borrowers that have been on time with payments or the number of loans that are being repaid in part with community service. However, according to the Economic Support Collections Unit, there is \$747,000 in outstanding overpayments or delinquent payments under the job access loan program.

11. Several caseworkers in W-2 agencies statewide have indicated that it does a disservice to provide a client with a job access loan when it is likely that the individual will have difficulties repaying the loan. It can also be argued that most families left on the W-2 caseload are hard-to-serve cases with many barriers to employment. These families could have a difficult time paying back any kind of loan, even with in-kind service which requires extra effort that many W-2 participants might not be able to comply with.

12. The agencies indicated that no other source of funding was available in the last contracts that could be used to assist clients with short-term discrete financial problems. However, in the request for proposals for the next contracts, the Department has included a provision that would allow a W-2 agency to establish a voluntary program to provide assistance to participants who have been placed in a W-2 transitional placement, community service job, trial job or custodial parent of an infant placement, are waiting for their first benefit checks and are experiencing extreme hardship.

13. To provide even greater flexibility to the W-2 agency, the Committee could modify the job access loan program to allow W-2 agencies to use job access loan funds to provide either a loan or a one-time emergency payment to assist participants who are waiting for their first full

benefit check and are experiencing hardship, such as an inability to pay rent. W-2 agencies could also utilize this flexibility to provide assistance to any individual who is need of a one time payment or any assistance needed for employment related expenses (such as a car repair), but would likely be unable to repay a loan. This provision would allow W-2 agencies to determine when a loan would be provided, and when to provide a grant that would not have to be repaid. Because the administration is estimating that only \$150,000 annually would be paid back under the job access loan program, it is not anticipated that this provision would have a significant fiscal impact in terms of a reduced amount of repayments.

Emergency Assistance

14. As an added alternative, the Committee could consider modifying the emergency assistance program. The Department currently contracts with W-2 agencies to administer the emergency assistance program, except in Milwaukee County where the Department contracts with the county, which subcontracts with the Red Cross.

15. Currently, emergency assistance is only available after a family becomes homeless. Given the concerns expressed about the potential inability of W-2 participants to pay rent, the emergency assistance program could be modified to specify that families may receive an emergency assistance payment if the family is in danger of losing their home or current place of residence. This could be evidenced by a notice terminating tenancy or a notice of impending foreclosure.

16. The maximum benefit amount under the emergency assistance program is \$150 per eligible family member which is determined by DWD. As noted, the emergency assistance program is currently funded at \$3.3 million annually. Approximately \$1.6 million of this amount is provided for families that become homeless, and the remaining \$1.7 is provided for low-income heating and energy assistance. It is unknown how many families would become eligible for emergency assistance under an expansion of the program.

17. Based on the costs of providing emergency assistance for families that become homeless, the Committee could increase funding for the emergency assistance program by half that amount, or \$800,000 annually. Because these would be federal TANF funds, if not spent, they would be carried forward to the next biennium. If additional funding was required, the Department could use its current flexibility to transfer between allocations; or it could submit a request to the Joint Committee on Finance under s. 13.10.

ALTERNATIVES

1. Approve the Governor's recommendation to reduce funding by \$1,736,600 (\$416,800 GPR and \$1,319,800 PR) annually for job access loans. The program revenue represents estimated cash repayments by recipients of job access loans. Under this provision, \$450,000 GPR and \$150,000 PR from estimated cash repayments would be provided for job access loans annually.

2. Modify the bill by increasing funding for job access loans by \$416,800 FED annually. The federal funds represent the incremental change in expenditures that would be funded from federal TANF dollars. Under this provision, \$866,800 GPR and \$150,000 PR annually would be provided for job access loans.

Alternative 2	FED
1999-01 FUNDING (Change to Bill)	\$833,600

3. Modify the Governor's recommendation by specifying that W-2 agencies would be authorized to provide job access loans to participants, or to provide individuals with a one-time only payment that would help the individual meet discrete financial needs. If the agency provided a one-time payment, the payment would not be treated as a loan. The W-2 agency would determine when to provide a loan and when to provide a one-time payment that would not have to be paid back. The agency could use funding under its W-2 contract or funding provided to them for the job access loan program for these payments.

4. Modify the Governor's proposal by specifying that a person could be eligible for emergency assistance if the person is in danger of becoming homeless, as evidenced by a notice of impending foreclosure action or a notice terminating tenancy.

5. Modify the Governor's proposal by increasing funding for the emergency assistance program by \$800,000 annually, and modify the emergency assistance program to specify that a person could be eligible for emergency assistance if the person is in danger of becoming homeless, as evidenced by a notice of impending foreclosure action or a notice terminating tenancy.

Alternative 5	FED
1999-01 FUNDING (Change to Bill)	\$1,600,000

Prepared by: Joanne T. Simpson

500n

1997 - 1998 LEGISLATURE

LRB:WZVA

TAY:WZJF

CMM

Redraft not

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LFB: Simpson - Emergency assistance

1997 BILL

For 1999-01 BUDGET

LFB AMENDMENT

TO 1999 AB-133 & SB-45

1 **AN ACT to amend** 49.138 (1m) (intro.); and **to create** 49.138 (1m) (am) of the
2 statutes; **relating to:** emergency assistance for needy persons.

Analysis by the Legislative Reference Bureau

Under current law, the department of workforce development administers a program of emergency assistance for needy persons in cases of fire, flood, natural disaster, homelessness or energy crisis.

This bill expands the emergency assistance program to provide aid to families who are not yet homeless, but who are faced with impending homelessness because of an immediate and discrete financial crisis.

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

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

3 **SECTION 1.** 49.138 (1m) (intro.) of the statutes, as affected by 1997 Wisconsin

4 **Act 47** is amended to read:

5 49.138 (1m) (intro.) The department shall implement a program of emergency
6 assistance to needy persons in cases of fire, flood, natural disaster, homelessness or

Page 678, line 3: after that line insert:

BILL

1 impending homelessness or energy crisis. The department shall establish the
2 maximum amount of aid to be granted, except for cases of energy crisis, per family
3 member based on the funding available under s. 20.445 (3) (dc) and (md). The
4 department need not establish the maximum amount by rule under ch. 227. The
5 department shall publish the maximum amount and annual changes to it in the
6 Wisconsin administrative register. Emergency assistance provided to needy persons
7 under this section in cases of fire, flood, natural disaster or energy crisis may only
8 be provided to a needy person once in a 12-month period. Emergency assistance
9 provided to needy persons under this section in cases of homelessness or impending
10 homelessness may be used only to obtain or retain a permanent living
11 accommodation and, except as provided in sub. (2), may only be provided to a needy
12 person once in a 36-month period. For the purposes of this section, a family is
13 considered to be homeless, or to be facing impending homelessness, if any of the
14 following applies:

15 SECTION ~~A~~ 49.138 (1m) (am) of the statutes is created to read:

16 49.138 (1m) (am) The family is experiencing an immediate and discrete
17 financial crisis that makes it impossible for the family to make a rent payment and
18 the family has been notified that it will be required to leave its current housing if it
19 does not make that payment immediately. ”

20 (END)

, mortgage payment or
property tax payment



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0548/42
TAY:cmh:mrc
EWJ
RMR

LFB:.....Simpson – Emergency assistance

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 678, line 3: after that line insert:

3 “SECTION 1213g. 49.138 (1m) (intro.) of the statutes is amended to read:

4 49.138 (1m) (intro.) The department shall implement a program of emergency
5 assistance to needy persons in cases of fire, flood, natural disaster, homelessness or
6 impending homelessness or energy crisis. The department shall establish the
7 maximum amount of aid to be granted, except for cases of energy crisis, per family
8 member based on the funding available under s. 20.445 (3) (dc) and (md). The
9 department need not establish the maximum amount by rule under ch. 227. The
10 department shall publish the maximum amount and annual changes to it in the
11 Wisconsin administrative register. Emergency assistance provided to needy persons
12 under this section in cases of fire, flood, natural disaster or energy crisis may only

1 be provided to a needy person once in a 12-month period. Emergency assistance
2 provided to needy persons under this section in cases of homelessness or impending
3 homelessness may be used only to obtain or retain a permanent living
4 accommodation and, except as provided in sub. (2), may only be provided to a needy
5 person once in a 36-month period. For the purposes of this section, a family is
6 considered to be homeless, or to be facing impending homelessness, if any of the
7 following applies:

8 **SECTION 1213h.** 49.138 (1m) (am) of the statutes is created to read:

9 49.138 (1m) (am) The family is experiencing ~~an immediate and discrete~~
10 financial crisis that makes it ~~impossible~~ for the family to make a rent payment,
11 mortgage payment or property tax payment and the family has been notified that it
12 will be required to leave its current housing if it does not make that payment
13 immediately.”

14 (END)

very difficult



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0548/2
TAY:cmh&wlj:km

LFB:.....Simpson - Emergency assistance

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 678, line 3: after that line insert:

3 "SECTION 1213g. 49.138 (1m) (intro.) of the statutes is amended to read:

4 49.138 (1m) (intro.) The department shall implement a program of emergency
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6 impending homelessness or energy crisis. The department shall establish the
7 maximum amount of aid to be granted, except for cases of energy crisis, per family
8 member based on the funding available under s. 20.445 (3) (dc) and (md). The
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11 Wisconsin administrative register. Emergency assistance provided to needy persons
12 under this section in cases of fire, flood, natural disaster or energy crisis may only

1 be provided to a needy person once in a 12-month period. Emergency assistance
2 provided to needy persons under this section in cases of homelessness or impending
3 homelessness may be used only to obtain or retain a permanent living
4 accommodation and, except as provided in sub. (2), may only be provided to a needy
5 person once in a 36-month period. For the purposes of this section, a family is
6 considered to be homeless, or to be facing impending homelessness, if any of the
7 following applies:

8 **SECTION 1213h.** 49.138 (1m) (am) of the statutes is created to read:

9 49.138 (1m) (am) The family is experiencing a financial crisis that makes it
10 very difficult for the family to make a rent payment, mortgage payment or property
11 tax payment and the family has been notified that it will be required to leave its
12 current housing if it does not make that payment immediately.”

13 (END)