

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/9/99

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 - food stamps

Extra Copies:

Pre Topic:

LFB:.....Simpson -

Topic:

Food stamp eligibility and issuance by W-2 agencies

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>
/1	yacketa 06/10/99	chanaman 06/11/99	martykr 06/11/99	_____	lrb_docadmin 06/11/99		
/2	yacketa 06/13/99 yacketa 06/14/99	chanaman 06/13/99 chanaman 06/14/99	jfrantze 06/13/99	_____	ismith 06/13/99		
/3			martykr 06/14/99	_____	lrb_docadmin 06/14/99		

FE Sent For:

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/9/99

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 - food stamps

Extra Copies:

Pre Topic:

LFB:.....Simpson -

Topic:

Food stamp eligibility and issuance by W-2 agencies

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>
/1	yacketa 06/10/99	chanaman 06/11/99	martykr 06/11/99	_____	lrb_docadmin 06/11/99		
/2	yacketa 06/13/99	chanaman 06/13/99	jfrantze 06/13/99	_____	ismith 06/13/99		

FE Sent For:

Chm 21
4/14
13

6/14

6/14
6/14
<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **06/9/99**

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 - food stamps**

Extra Copies:

Pre Topic:

LFB:.....Simpson -

Topic:

Food stamp eligibility and issuance by W-2 agencies

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>
/1	yacketa 06/10/99	chanaman 06/11/99	martykr 06/11/99	_____	lrb_docadmin 06/11/99		

FE Sent For:

*cmh
elis
h*

*KST 6/13
<END>*

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **06/9/99**

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 - food stamps**

Extra Copies:

Pre Topic:

LFB:.....Simpson -

Topic:

Food stamp eligibility and issuance by W-2 agencies

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>
1?	yacketa	cmH u/h	km/11	yack km/11			

FE Sent For:

h

<END>

Yacker, Tina

From: Simpson, Joanne
Sent: Wednesday, June 09, 1999 4:23 PM
To: Yacker, Tina
Subject: Chapter 49.175 Allocations and other drafting issues

Hi Tina: Attached is a file which shows the numbers that should be included in the chapter 49.175 allocations, and any other other changes that I could think of that are related to those allocations.

Also, I can't recall if we discussed drafting changes needed for paper #1116. JFC approved alternative 4, which would modify the Governor's bill to eliminate the authority of DWD to use up to 10% of any allocation for a purpose specified in any of the other allocations without approval by JFC. Under this option, any transfer among the statutory allocations would require approval by the Secretary of Administration and the Committee, under a 14-day passive review process.

Finally, under paper #1118, current law was modified to require DWD to submit a plan to JFC prior to implementing any waiver of federal requirements that would allow non-governmental entities to make eligibility determinations and issue food coupons under the food stamp program.

As always, let me know if you need any more information.

- Joanne



ch 49175 allocns -
jfc.xls

→ 14 day
passive
Review?
No.



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 #1118

Administration of the Food Stamp Program By W-2 Agencies (DWD -- Economic Support and Child Care)

[LFB 1999-01 Budget Summary: Page 709, #64]

CURRENT LAW

Under current law, the Department of Workforce Development (DWD) may contract with a W-2 agency to administer the food stamp employment and training (FSET) program. Current law requires the W-2 agency to certify eligibility for and distribute food coupons to, eligible participants in the W-2 program, to the extent permitted by federal law or waiver. County departments are required to make eligibility determinations for and issue food coupons to, all other recipients (including FSET participants and other able-bodied persons under the age of 61).

GOVERNOR

Specify that, to the extent permitted by federal law, W-2 agencies would be required to certify eligibility for and, if determined eligible, issue food coupons to: (a) participants in the W-2 program; (b) persons who may be required to participate in the FSET program, if DWD has contracted with the W-2 agency to administer FSET; and (c) other persons who are under the age of 61 and who are not disabled, as defined by DWD. Administration of food stamps for other recipients would continue to be a requirement of county departments of human or social services.

DISCUSSION POINTS

1. Currently, federal law does not allow non-governmental agencies to determine eligibility for the food stamp program or issue food stamp benefits to recipients. Therefore, in counties that have private or non-profit W-2 agencies, the W-2 agency may not perform these activities.

2. The Governor's provision would expand state law to require W-2 agencies to determine eligibility for and issue food coupons to certain recipients of those benefits who are not also W-2 participants. Adding this provision would increase the number of food stamp cases processed by W-2 agencies by about 14,200. For the W-2 agencies that are the county or tribal governing body, this provision would have little effect. However, this provision would expand the requirements for non-county private or non-profit W-2 agencies to certify eligibility for and issue food coupons to certain recipients. There are currently five non-county W-2 agencies operating in six regions in Milwaukee County. In addition, eight other non-county W-2 agencies operate in Forest, Juneau, Kewaunee, Oneida, Shawano, Vilas, Walworth and Waukesha Counties.

3. DWD is currently seeking a waiver from federal requirements to allow non-county W-2 agencies to administer food stamp benefits. On August 4, 1998, the Department submitted a waiver request to allow private for-profit, private non-profit, or government agencies to conduct certification reviews and determine benefit levels for applicants and recipients of the food stamp program. The Department is seeking a two-year demonstration project that would begin January 1, 2000. The demonstration may be limited to Milwaukee County.

4. The administration indicates that allowing the W-2 agency to administer food stamps for all able-bodied recipients would strengthen the Department's ability to serve food stamp clients. First, allowing all W-2 agencies to determine eligibility for W-2 recipients prevents individuals from having to see more than one caseworker to access benefits. Second, other recipients are often employed full-time, but at a low wage, or are employed only part-time. Having food stamp benefits determined and reviewed by W-2 agencies allows the recipient to access the Job Center at the same time as the recipient applies for food stamps or renews eligibility. Providing increased access to employment-related services may assist individuals seeking higher paying or full-time jobs at a wage such that the recipient would no longer have to rely on food stamps.

5. In addition, in the waiver request described above, DWD indicated that the areas served by private W-2 agencies had the highest incidence of food stamp errors in the state. Therefore, the Department was seeking flexibility to allow the private agencies to determine eligibility and benefits for food stamp applicants and recipients as a means of reducing the food stamp error rate. Wisconsin's food stamp error rate for the first six months of federal fiscal year (FFY) 1998 was 13.4%. In FFY 1997, the error rate was 13.7%, which was above the national average of 9.89%.

6. As noted, under current law, the Department is allowed to contract with W-2 agencies to administer the FSET program, and has contracted with each W-2 agency to do so. It could be argued that it would be more efficient to have the same agency that administers the FSET program also make eligibility determinations and issue food coupons for FSET participants, as recommended by the Governor.

7. In addition to FSET participants, the bill would require a W-2 agency to determine eligibility for and issue food coupons to other persons under the age of 61 who are not disabled, as defined by the Department. Again, it could be argued that it would be more efficient to have one

agency administer food stamp benefits for all recipients who may benefit from employment-related services.

8. On the other hand, under the current system, it does not appear that there are significant administrative burdens in areas where the county is not the W-2 agency. A participant could be determined eligible for food stamps by a county worker located in the W-2 agency or by a county worker in a separate location from the W-2 agency. The applicant or recipient's information is entered into the CARES computer system and can be accessed if needed by the W-2 agency administering FSET.

9. Furthermore, allowing the county to continue to provide these services would permit greater access to the food stamp program to potential recipients because the recipient could either go to the county location or to a county worker located in the W-2 agency. County workers also determine eligibility for medical assistance (MA) for some of these same recipients. Recipients that meet the criteria of having to comply with the FSET program or who are under 61 and not disabled, would still have to see a county worker for MA. As of March, 1999, there were 26,600 recipients of both food stamps and MA that were not receiving W-2. It is not clear how many of these recipients were under 61 and not disabled or subject to the FSET requirements.

10. It is also not clear that requiring W-2 agencies to serve FSET participants and other food stamp applicants and recipients who are not W-2 clients would reduce the food stamp error rate. According to the food stamp quality assurance reviews for the period October, 1997, to March, 1998, none of the counties that do not administer the W-2 program were included in the 10 counties that had the highest food stamp error rate; two had error rates above the statewide average; two had error rates of less than 10%; four had no errors; and one was not included in the sample. In addition, in August, 1998, the Joint Committee on Finance approved the Department's request to use \$300,000 for activities designed to reduce the food stamp error rate, such as programming for and generating monthly reports specifically for Milwaukee County, other CARES programming changes, attendance at workshops, special reports and other assistance to local workers to aid in identifying errors quickly. Therefore, the Department is already taking steps to reduce Wisconsin's food stamp error rate.

11. Several legislators have expressed concern about privatizing entitlement programs such as the food stamp program. However, current law requires all W-2 agencies, including private or non-profit agencies, to determine eligibility for and issue food coupons to W-2 participants to the extent permitted by federal law or waiver. This provision was enacted under 1995 Act 289, the law that created the W-2 program.

12. The bill would expand the ability of private agencies to determine eligibility for and issue food coupons to recipients of those benefits who are not also W-2 participants. If the Committee wished to limit the ability of non-county or non-governmental agencies to administer the food stamp program, current law could be maintained.

13. Finally, if the Committee wished to have more oversight into the implementation of

any waiver from federal requirements that would allow private agencies to administer the food stamp program, it could require DWD to submit a plan prior to implementing such a waiver.

ALTERNATIVES

A. Administration of Food Stamp Benefits by W-2 Agencies

1. Approve the Governor's recommendation to require W-2 agencies, to the extent permitted by federal law, to certify eligibility for and, if determined eligible, issue food coupons to: (a) participants in the W-2 program; (b) persons who may be required to participate in the FSET program, if DWD has contracted with the W-2 agency to administer FSET; and (c) other persons who are under the age of 61 and who are not disabled, as defined by the Department. Administration of food stamps for other recipients would continue to be a requirement of county departments of human or social services.

2. Maintain current law. Under this alternative, W-2 agencies would be required to determine eligibility for and issue food coupons to W-2 participants, to the extent permitted by federal law or waiver, and would not be required or allowed to do the same for other food stamp recipients.

B. Joint Finance Review

1. Modify the Governor's recommendation by requiring DWD to submit a plan to the Joint Committee on Finance prior to implementing any waiver from federal requirements that would allow non-governmental entities to make eligibility determinations and issue food coupons under the food stamp program.

Prepared by: Joanne T. Simpson



Soon
State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0616/1

TAX.....
cm v
RMR

LFB:.....Simpson – Food stamp eligibility and issuance by W-2 agencies
 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 583, line 7: after “law” insert “, and subject to s. 49.143 (2) (e)”.
- 3 2. Page 586, line 21: after “law” insert “, and subject to s. 49.143 (2) (e)”.
- 4 3. Page 679, line 25: after “(1g)” insert “^{46.22} if the department receives the federal
 5 waiver necessary to enforce the contract provision under this paragraph, the
 6 department shall submit to the joint committee on finance the terms of the waiver
 7 prior to enforcing the contract provision under this paragraph”.

(END)

Leave that underscored comma -- No CHANGE



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0616/17
TAY:cmh:km

R mvl

LFB:.....Simpson - Food stamp eligibility and issuance by W-2 agencies
FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION
LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

Page 583, line 8: delete lines 8 to 18 and substitute: "determined eligible, issue food coupons under s. 49.143 (2)(e) to eligible participants in the Wisconsin works program under Subch. III of Ch. 49."

Page 583, line 3 no lines 3 and
Insert 1-1

both places

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

2 1. Page 583, line 7: after "law" insert ", and subject to s. 49.143 (2)(e)".

3 2. Page 586, line 21: after "law" insert ", and subject to s. 49.143 (2)(e)".

Insert 1-2

4 3. Page 679, line ²³ 25: after "46.22 (1g)" insert "(If the department receives the
5 federal waiver necessary to enforce the contract provision under this paragraph, the
6 department shall submit to the joint committee on finance the terms of the waiver
7 prior to enforcing the contract provision under this paragraph".

(END)

delete lines 23 to 25 and
Substitute: 4 INSERT 1-4

Page 586, line 22: delete the material beginning with that line and ending with page 587, line 7, and substitute:

INSERT 1-1

Page 583, line 3: delete lines 3 and 4 and substitute:

"^{CS} SECTION 1014p. 46.215 (1g) of the statutes is amended to
= read: " .

Page 583, line 6: delete "(intro.)" .

INSERT 1-2

Page 586, line 17: delete lines 17 and 18 and substitute:

"^{CS} SECTION 1026p. 46.22 (1g) of the statutes is
= amended to read: " .

Page 586, line 20: delete "(intro.)" .

END OF INSERT

INSERT 104

Section #. 49.143 (2) (e) of the statutes is amended to read:

9

49.143 (2) (e) To the extent permitted under federal law or waiver, certify eligibility for and issue food coupons to eligible Wisconsin works participants in conformity with 7 USC 2011 to 2029.

History: 1995 a. 216, 289; 1997 a. 27, 36, 236, 318.

(END OF INSERT)



Tolary
State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0616/13
TAY:cmh:ksh

NOT RUN

LFB:.....Simpson – Food stamp eligibility and issuance by W-2 agencies

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 583, line 3: delete lines 3 and 4 and substitute:

3 “SECTION 1014p. 46.215 (1g) of the statutes is amended to read:”.

4 **2.** Page 583, line 6: delete “(intro.)”.

5 **3.** Page 583, line 7: after “law” insert “, and subject to s. 49.143 (2) (e)”.

6 **4.** Page 583, line 8: delete lines 8 to 18 and substitute “determined eligible,

7 issue food coupons under s. 49.143 (2) (e) to eligible participants in the Wisconsin

8 works program under subch. III of ch. 49.”.

9 **5.** Page 586, line 17: delete lines 17 and 18 and substitute:

10 “SECTION 1026p. 46.22 (1g) of the statutes is amended to read:”.

11 **6.** Page 586, line 20: delete “(intro.)”.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0616/3
TAY:cmh:km

LFB:.....Simpson – Food stamp eligibility and issuance by W-2 agencies

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 583, line 3: delete lines 3 and 4 and substitute:
- 3 “SECTION 1014p. 46.215 (1g) of the statutes is amended to read:”
- 4 **2.** Page 583, line 6: delete “(intro.)”.
- 5 **3.** Page 583, line 7: after “law” insert “, and subject to s. 49.143 (2) (e)”.
- 6 **4.** Page 583, line 8: delete lines 8 to 18 and substitute “determined eligible,
- 7 issue food coupons under s. 49.143 (2) (e) to eligible participants in the Wisconsin
- 8 works program under subch. III of ch. 49.”
- 9 **5.** Page 586, line 17: delete lines 17 and 18 and substitute:
- 10 “SECTION 1026p. 46.22 (1g) of the statutes is amended to read:”
- 11 **6.** Page 586, line 20: delete “(intro.)”.

- 1 **7.** Page 586, line 21: after “law” insert “, and subject to s. 49.143 (2) (e)”.
- 2 **8.** Page 586, line 22: delete the material beginning with that line and ending
3 with page 587, line 7, and substitute “determined eligible, issue food coupons under
4 s. 49.143 (2) (e) to eligible participants in the Wisconsin works program under subch.
5 III of ch. 49.”.
- 6 **9.** Page 679, line 23: delete lines 23 to 25 and substitute:
7 “49.143 (2) (e) To the extent permitted under federal law or waiver, certify
8 eligibility for and issue food coupons to eligible Wisconsin works participants in
9 conformity with 7 USC 2011 to 2029. If the department receives the federal waiver
10 necessary to enforce the contract provision under this paragraph, the department
11 shall submit to the joint committee on finance the terms of the waiver and an
12 implementation plan prior to enforcing the contract provision under this
13 paragraph.”

14

(END)