

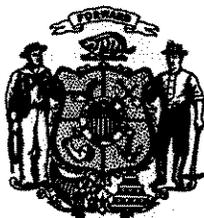
JAN 31 2001

WISCONSIN LEGISLATIVE COUNCIL STAFF



**RULES CLEARINGHOUSE**

**Ronald Sklansky**  
Director  
(608) 266-1946



**Terry C. Anderson, Director**  
Legislative Council Staff  
(608) 266-1304

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One E. Main St., Ste. 401  
P.O. Box 2536  
Madison, WI 53701-2536  
FAX: (608) 266-3830

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**CLEARINGHOUSE REPORT TO AGENCY**

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[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

**CLEARINGHOUSE RULE 00-182**

AN ORDER to repeal DWD 14.24, relating to stale electronic food stamp accounts.

Submitted by **DEPARTMENT OF WORKFORCE DEVELOPMENT**

12-15-00 RECEIVED BY LEGISLATIVE COUNCIL.

01-16-01 REPORT SENT TO AGENCY.

RNS:AS:jal

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached      YES       NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached      YES       NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached      YES       NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached      YES       NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached      YES       NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached      YES       NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached      YES       NO

**State of Wisconsin  
Department of Workforce Development  
Division of Economic Support**

**NOTICE OF PUBLIC HEARING**

**DWD 14.24  
Stale Electronic Food Stamp Accounts**

NOTICE IS HEREBY GIVEN that pursuant to ss. 49.129(7) and 227.11(2), Stats., the Department of Workforce Development proposes to hold a public hearing to repeal rules relating to stale electronic food stamp accounts.

**Hearing Information**

**January 19, 2001  
Friday  
10:00 a.m.**

**GEF 1 Building, Room 400X  
201 E. Washington Avenue  
MADISON**

Interested persons are invited to appear at the hearing and will be afforded the opportunity to make an oral presentation of their positions. Persons making oral presentations are requested to submit their facts, views, and suggested rewording in writing.

An accessible entrance to the building is available via a ramp from the corner of Washington Avenue and Webster Street to the Webster Street entrance. If you have special needs or circumstances that may make communication or accessibility difficult at the hearing, please call (608) 267-9403 at least 5 working days before the hearing date. Accommodations such as ASL interpreters, English translators, or materials in audiotape format will be made available on request to the fullest extent possible.

**Analysis Prepared by the Department of Workforce Development**

Statutory authority: Sections 49.129(7) and 227.11(2), Stats.  
Statute interpreted: Section 49.129, Stats.  
Relevant federal law: 7 CFR 274.12(f)(7)

The proposed rule repeals the existing s. DWD 14.24, which allows the department to deactivate electronic food stamp accounts that have not been accessed for 3 months or longer. After deactivation, the benefits are made available to the food stamp group if they reapply for food stamps or contact the local economic support agency.

DWD 14.24 was adopted in September 1999 when the department implemented the electronic delivery of benefits under the federal food stamp program. The policy of deactivating accounts that have not been accessed for 3 months was intended to ensure contact with food stamp recipients who are not using their benefit cards. Under federal food stamp regulations at 7 CFR 274.12(f)(7)(i), adoption of this policy is optional.

*DeA*

Based on feedback from local agencies, client advocates, and others, the department is now concerned that the process by which accounts are deactivated and then need to be reactivated has the potential to serve as a barrier to participation, particularly among the elderly and disabled. The department has decided that this potential outweighs any value the current policy may have in ensuring contact with recipients. The new policy will repeal the department's authority to deactivate accounts that have not been accessed for 3 months. The department will initiate other efforts to communicate with recipients who are not using their cards to discuss any concerns they may have.

DWD 14.25, which provides for expunging electronic food stamp accounts that have not been accessed for one year, is mandatory under federal food stamp regulations at 7 CFR 274.12(f)(7)(ii) and remains unchanged.

#### **Rule Text**

SECTION 1. DWD 14.24 is repealed.

**EFFECTIVE DATE.** This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2)(intro), Stats.

#### **Initial Regulatory Flexibility Analysis**

The proposed rule will not affect "small business" as defined in s. 227.114(1)(a), Stats.

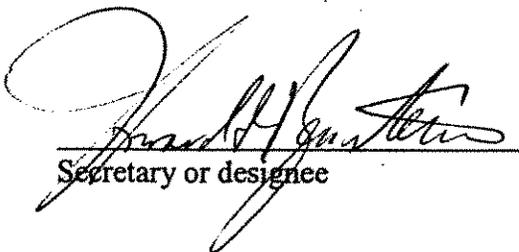
#### **Fiscal Estimate**

There will be some costs associated with changing the internal and vendor automation systems but they are unknown at this time and will be absorbed within the department's budget.

#### **Contact Information and Written Comments**

Written comments on the proposed rules received at the following address no later than **January 24, 2001**, will be given the same consideration as testimony presented at the hearing.

Elaine Pridgen  
Office of Legal Counsel  
Dept. of Workforce Development  
P.O. Box 7946  
Madison, WI 53707-7946  
(608) 267-9403

  
Secretary or designee

Dec. 13, 2000  
Date

FEB 26 2001

Scott McCallum  
Governor

Jennifer Reinhert  
Secretary



**OFFICE OF THE SECRETARY**

201 East Washington Avenue  
P.O. Box 7946  
Madison, WI 53707-7946  
Telephone: (608) 266-7552  
Fax: (608) 266-1784  
<http://www.dwd.state.wi.us/>

**State of Wisconsin  
Department of Workforce Development**

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February 23, 2001

President of the Senate  
220 South, State Capitol  
Madison, Wisconsin 53702

Speaker of the Assembly  
211 West, State Capitol  
Madison, Wisconsin 53702

**Notice of Administrative Rules in Final Draft Form**

Clearinghouse rule number: 00-182

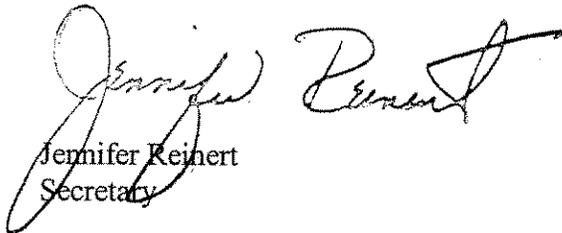
Rule number: DWD 14.24

Relating to: Stale electronic food stamp accounts

Dear Senator Risser and Representative Jensen:

I have enclosed proposed rules in final draft form and a rule report as required by s. 227.19(3), Stats., for referral to the appropriate legislative standing committees. If you have any questions regarding this matter, please do not hesitate to contact us.

Respectfully submitted,

  
Jennifer Reinhert  
Secretary

Scott McCallum  
Governor

Jennifer Reinert  
Secretary



State of Wisconsin

**Department of Workforce Development**

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**OFFICE OF THE SECRETARY**

201 East Washington Avenue  
P.O. Box 7946  
Madison, WI 53707-7946  
Telephone: (608) 266-7552  
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<http://www.dwd.state.wi.us/>

**Rule Analysis for Legislative Review**

**Proposed rules relating to stale electronic food stamp accounts**

**DWD 14.24**

**(CR 00-182)**

**Need for rules**

The proposed rule repeals the existing s. DWD 14.24, which allows the department to deactivate electronic food stamp accounts that have not been accessed for 3 months or longer. After deactivation, the benefits are made available to the food stamp group if they reapply for food stamps or contact the local economic support agency. The policy of deactivating accounts that have not been accessed for 3 months was intended to ensure contact with food stamp recipients who are not using their benefit cards. Based on feedback from local agencies, client advocates, and others, the department is now concerned that the process by which accounts are deactivated and then need to be reactivated has the potential to serve as a barrier to participation, particularly among the elderly and disabled.

**Public hearing response**

A public hearing was held in Madison on January 19, 2001. Comments in support of the repeal of s. DWD 14.24 were received from Carol Medaris of the Wisconsin Council on Children and Families and Jon Janowski of the Hunger Task Force of Milwaukee. Mr. Janowski also commented on the implementation of the existing s. DWD 14.25, which is unaffected by this rule package. Copies of the comments and the department's response are attached.

**Response to Legislative Council staff recommendations**

No comments were received.

**Final regulatory flexibility analysis**

The proposed rule does not affect "small business" as defined in s. 227.114(1)(a), Stats.

**Department contacts**

Judy Woelfel  
Electronic Benefit Transfer Analyst  
Division of Economic Support  
266-3747

Elaine Pridgen  
Administrative Rules Coordinator  
Office of Legal Counsel  
267-9403

**State of Wisconsin  
Department of Workforce Development  
Division of Economic Support**

**DWD 14.24  
Stale Electronic Food Stamp Accounts**

The Wisconsin Department of Workforce Development proposes an order to repeal s. DWD 14.24, relating to stale electronic food stamp accounts.

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**Analysis Prepared by the Department of Workforce Development**

**Statutory authority:** Sections 49.129(7) and 227.11(2), Stats.  
**Statute interpreted:** Section 49.129, Stats.  
**Relevant federal law:** 7 CFR 274.12(f)(7)

The proposed rule repeals the existing s. DWD 14.24, which allows the department to deactivate electronic food stamp accounts that have not been accessed for 3 months or longer. After deactivation, the benefits are made available to the food stamp group if they reapply for food stamps or contact the local economic support agency.

DWD 14.24 was adopted in September 1999 when the department implemented the electronic delivery of benefits under the federal food stamp program. The policy of deactivating accounts that have not been accessed for 3 months was intended to ensure contact with food stamp recipients who are not using their benefit cards. Under federal food stamp regulations at 7 CFR 274.12(f)(7)(i), adoption of this policy is optional.

Based on feedback from local agencies, client advocates, and others, the department is now concerned that the process by which accounts are deactivated and then need to be reactivated has the potential to serve as a barrier to participation, particularly among the elderly and disabled. The department has decided that this potential outweighs any value the current policy may have in ensuring contact with recipients. The new policy will repeal the department's authority to deactivate accounts that have not been accessed for 3 months. The department will initiate other efforts to communicate with recipients who are not using their cards to discuss any concerns they may have.

DWD 14.25, which provides for expunging electronic food stamp accounts that have not been accessed for one year, is mandatory under federal food stamp regulations at 7 CFR 274.12(f)(7)(ii) and remains unchanged.

**Rule Text**

SECTION 1. DWD 14.24 is repealed.

EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2)(intro), Stats.

## Response to Public Hearing Comments

### Proposed rules relating to state electronic food stamp accounts DWD 14.24 (CR 00-182)

A public hearing was held in Madison on January 19, 2001. The record remained open until January 24 for the receipt of written comments. Comments were received from:

1. Carol Medaris  
Wisconsin Council on Children and Families  
Madison
2. Jon Janowski  
Hunger Task Force of Milwaukee  
Milwaukee

### Summary of Comments and Department Response

Comments	Department Response
<b><u>1. Medaris, WCCF</u></b>	
a. I believe the change is a good one and likely to result in an increase use of food stamps by those who need them and qualify, particularly the elderly and disabled.	Agree
b. The change shows the department is paying attention to concerns of advocates and others who work with low-income families.	Agree
<b><u>2. Janowski, Hunger Task Force</u></b>	
a. We support the rule change. Recipients will be more likely to remain on the program, receive needed nutritional assistance, and purchase food from local businesses.	Agree

Comments	Department Response
<p><b>Janowski continued</b></p> <p>b. We believe it is important that recipients be alerted that their benefits will be expunged unless a transaction is made within a certain period of time. It would be helpful for the state to send notices at 3- and 9-month intervals and for local agencies to attempt a contact 30 days before benefits are expunged.</p>	<p>The department agrees that it is important that recipients are aware their benefits may be expunged if not accessed for one year. This requirement is mandatory under federal regulations at 7 CFR 274.12(f)(7)(ii). It is found in the department's rules at s. DWD 14.25 and is not affected by this rule package. However, more and more recipients will be affected by this policy in the coming year. The department is open to working with advocates to ensure recipients are aware of the policy.</p> <p>The department will send notices to recipients who have not accessed their benefits for 2 months and 10 months.</p> <p>Local agencies will receive reports of recipients who have not accessed their benefits for 2 months and 10 months.</p> <p>Local agencies have been instructed that they should be as helpful as possible whenever recipients have ongoing questions or concerns about the use of their card.</p> <p>Local agencies will ask recipients about any problems with the card at each certification review. Many recipients have reviews every 3 months. The elderly and disabled currently have reviews once per year.</p>
<p>c. It would be valuable for the state to collect data from local agencies on why recipients are not using their cards so appropriate changes can be made, if necessary.</p>	<p>The department will review ways to collect data from local agencies on why recipients are not using their cards.</p>
<p>d. We would like to work with the department in designing the notice to recipients informing them that their benefits may be expunged. We would also like to work with Milwaukee County to ensure caseworkers are informing recipients of the policy.</p>	<p>The department welcomes input from the Hunger Task Force on the design of the CARES notices. The department will also encourage Milwaukee County to be receptive to feedback from the Hunger Task Force and other advocates.</p>



"For these are all our children . . .  
we will all profit by, or pay for,  
whatever they become." James Baldwin

RESEARCH • EDUCATION • ADVOCACY

January 19, 2001

Elaine Pridgen  
Office of Legal Counsel  
Department of Workforce Development  
P.O. Box 7946  
Madison, WI 53707-7946

Re: Proposed rule relating to state electronic food stamp accounts

Dear Ms. Pridgen,

This letter constitutes my comments on the above-described, proposed rule. I believe that the change is a good one and likely to result in increased usage of food stamp benefits by those who need them and qualify -- particularly the elderly and the disabled, as is noted in the Department's analysis. The change also shows that the Department is paying attention to the concerns of advocates and others who work with low-income families.

Respectfully submitted,

Carol W. Medaris,  
Project Attorney

cc. Sharon Pomo



A MEMBER OF THE NATIONAL ASSOCIATION OF CHILD ADVOCATES

16 N. Carroll Street • Suite 600 • Madison, WI 53703 • (608) 284-0580 • FAX (608) 284-0583  
1442 N. Farwell • Suite 508 • Milwaukee, WI 53202 • (414) 831-8880 • FAX (414) 298-9127  
[www.wccf.org](http://www.wccf.org)



**HUNGER  
TASK  
FORCE**  
of Milwaukee  
SINCE 1974

January 19, 2001

Elaine Pridgen  
Office of Legal Counsel  
Department of Workforce Development  
P.O. Box 7946  
Madison, WI 53707-7946

Dear Ms. Pridgen:

We are writing to support the Department of Workforce Development's (DWD) action to repeal rules relating to stale electronic food stamp accounts.

As this nation's last line of defense against hunger, the Food Stamp Program assists thousands of Wisconsin residents each day. With the implementation of the Wisconsin Quest card, food stamp recipients are now dealing with a new way to purchase food.

While most food stamp recipients have made a seamless transition to the Quest card, some people have extreme difficulty in using their card every three months. There are thousands of elderly, disabled, and otherwise homebound individuals in Wisconsin who rely on food stamp benefits for supplemental nutrition, yet they have a hard time getting to a grocery store to purchase food. Under the old paper system, many of these individuals received small amounts of monthly benefits and enjoyed saving their paper coupons so they could be spent during the Thanksgiving and Christmas holidays.

The DWD's rule change would allow many of these at-risk recipients to keep their benefits on their card for longer periods of time and make it much easier for them to use benefits. As a result, recipients will be much more likely to remain on the program, receive needed nutritional assistance, and purchase food from local businesses.

Under this rule change, we believe it will be important for food stamp agencies to alert recipients that their benefits will be expunged unless a transaction is made within a certain period of time. Many low-income families face a variety of barriers that limit their ability to keep track of government requirements. State and local agencies must work together to ensure that the client is aware that they might lose benefits. It would be helpful for the state to send out a reminder letter to the client at three and nine-month intervals, and local food stamp agencies should make one last contact attempt 30 days before benefits are expunged.

201 S. Hawley Court

Milwaukee, WI 53214-1968

tel: 414 777-0483

fax: 414 777-0480

Since the implementation of the Quest card is relatively new, it would be valuable for the state to collect data from local food stamp agencies as to why clients are not using their Quest card. Some people will simply forget to use the card or choose not to use it; others may be having problems with the card and may need assistance to get their account properly activated. If the state finds out that clients are having similar problems with their Quest cards or are having trouble rectifying account issues, then it can make appropriate changes to the system.

Hunger Task Force of Milwaukee played a significant role in promoting the Quest card in Milwaukee County. We will do everything we can to ensure that this technology works well for low-income families. Once this rule change is formally completed, we will work with Milwaukee County to make sure caseworkers are informing recipients about this new Quest requirement. We would also like to work with the state to design letters for clients that will outline this rule change.

We thank the Department for taking this initiative that will help many low-income people in Wisconsin, and we look forward to making the rule implementation a success.

Sincerely,



Jon Janowski,  
Director of Advocacy

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

FISCAL ESTIMATE  
DOA-2048 N(R03/97)

Subject  
State electronic food stamp accounts

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb  
Within Agency's Budget     Yes     No

- Increase Existing Appropriation       Increase Existing Revenues
- Decrease Existing Appropriation       Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
     Permissive     Mandatory
2.  Decrease Costs  
     Permissive     Mandatory

3.  Increase Revenues  
     Permissive     Mandatory
4.  Decrease Revenues  
     Permissive     Mandatory

5. Types of Local Governmental Units Affected:
- Towns       Villages       Cities
- Counties     Others \_\_\_\_\_
- School Districts       WTCS Districts

Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

There will be some costs associated with changing the internal and vendor automation systems but they are unknown at this time and will be absorbed within the department's budget.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)  
Elaine Pridden 267-9403

Authorized Signature/Telephone No.

*Frank J. ...* 267-9427

Date

12/13/00

# FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/94)

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.    Amendment No.  
DWD 14.24

Subject  
State electronic food stamp accounts

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

0

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$0	\$0 -
(FTE Position Changes)		0 ( FTE)	(- FTE)
State Operations - Other Costs		0	0
Local Assistance		0	0
Aids to Individuals or Organizations		0	0
<b>TOTAL State Costs by Category</b>		<b>\$0</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>			
GPR		\$0	\$0-
FED		0	0
PRO/PRS		0	0
SEG/SEG-S		0	0
<b>III. State Revenues -</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
<b>TOTAL State Revenues</b>		<b>\$0</b>	<b>\$0-</b>

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$0	\$0
NET CHANGE IN REVENUES	\$0	\$0

Agency/Prepared by: (Name & Phone No.)  
DWD/ Elaine Prigden 267-9403

Authorized Signature/Telephone No.

*Harold Johnston* 267-9427

Date

12/03/00