

2003 DRAFTING REQUEST

Bill

Received: **09/27/2002**

Received By: **pkahler**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-8219**

By/Representing: **Fath**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Dom. Rel. - miscellaneous**

Extra Copies: **PG**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Fath - BB0179,

Topic:

Federal incentive payments exceeding statutory cap

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> |
|--------------|-----------------------|------------------------|------------------------|----------------|------------------------|-----------------|-----------------|
| /? | pkahler 10/03/2002 | csicilia 10/08/2002 | | _____ | | | S&L |
| /P1 | | | pgreensl 10/08/2002 | _____ | sbasford 10/08/2002 | | S&L |
| /P2 | pkahler | csicilia | jfrantze | _____ | sbasford | | S&L |

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|-----------------------|------------------------|------------------------|----------------|------------------------|-----------------|-----------------|
| | 10/15/2002 | 10/15/2002 | 10/16/2002 | _____ | 10/16/2002 | | |
| /P3 | pkahler 01/30/2003 | csicilia 01/30/2003 | chaskett 01/31/2003 | _____ | sbasford 01/31/2003 | | S&L |
| | pkahler 02/06/2003 | wjackson 02/06/2003 | | _____ | | | |
| /1 | | | jfrantze 02/06/2003 | _____ | amentkow 02/06/2003 | | S&L |
| /2 | pkahler 02/13/2003 | wjackson 02/14/2003 | jfrantze 02/14/2003 | _____ | sbasford 02/14/2003 | | |

FE Sent For:

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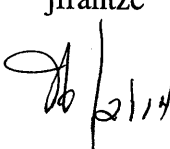
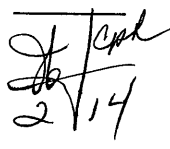
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Instructions:

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| /P1 | | | pgreensl 10/08/2002 | _____ | sbasford 10/08/2002 | | S&L |
| /P2 | pkahler | csicilia | jfrantze | _____ | sbasford | | S&L |

Handwritten signatures and dates:
 2/14
 2/14

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
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| /P3 | pkahler 01/30/2003 | csicilia 01/30/2003 | chaskett 01/31/2003 | _____ | sbasford 01/31/2003 | | S&L |
| | pkahler 02/06/2003 | wjackson 02/06/2003 | | _____ _____ | | | |
| /1 | | /2 WLJ 2/14 | jfrantze 02/06/2003 | _____ | amentkow 02/06/2003 | | |

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Topic:


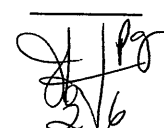
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FE Sent For:

1 Wlj 2/b

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| /P1 | | | pgreensl 10/08/2002 | _____ | sbasford 10/08/2002 | | S&L |
| /P2 | pkahler | csicilia | jfrantze | _____ | sbasford | | |



| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
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| | 10/15/2002 | 10/15/2002 | 10/16/2002 | _____ | 10/16/2002 | | |

FE Sent For:

p3 cjs 1/30
03

1/31

<END>

p3

q

1/30

2003 DRAFTING REQUEST

Bill

Received: 09/27/2002

Received By: pkahler

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-8219 ✓

By/Representing: Fath

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Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Dom. Rel. - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Fath - BB0179, ✓

Topic:

Federal incentive payments exceeding statutory cap

Instructions:

See Attached

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| FE Sent For: | | 1/2 cjs 10/15 02 | 10/10/16 | Self 10/16 | | | <END> |

2003 DRAFTING REQUEST

Bill

Received: **09/27/2002**

Received By: **pkahler**

Wanted: **As time permits**

Identical to LRB:

For: **Workforce Development 4-8742**

By/Representing: **Susan Mathison**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Dom. Rel. - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **susan.mathison@dwd.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Federal incentive payments exceeding statutory cap

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> |
|--------------|-----------------------|------------------------|------------------------|----------------|------------------------|-----------------|-----------------|
| /? | pkahler 10/03/2002 | csicilia 10/08/2002 | | _____ | | | S&L |
| /P1 | | | pgreensl 10/08/2002 | _____ | sbasford 10/08/2002 | | |

FE Sent For:

<END>

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Bill

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Wanted: **As time permits**

Identical to LRB:

For: **Workforce Development 4-8742**

By/Representing: **Susan Mathison**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Dom. Rel. - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **susan.mathison@dwd.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Federal incentive payments exceeding statutory cap

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> |
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| FE Sent For: | | 1/Plgs 10/8 02 | 10/8 PS | 10/8 self | | | |
| | | | | <END> | | | |

279

Kahler, Pam

From: Mathison, Susan
Sent: Wednesday, September 25, 2002 3:12 PM
To: Kahler, Pam
Subject: Statutory change #2 for DWS DIN # 5604 from Sue Mathison, Budget Analyst 264-8742

Thank you Pam.

STATUTORY MODIFICATIONS

Department of Workforce Development
2003-2005 Biennial Budget Request

DIN Number: 5604-STAT#2

Topic: Federal incentive payments exceeding the statutory cap

Description of Change:

Add a provision to s. 49.24 to increase county child support incentive contracts by 50 percent of the amount of federal incentives earned over the \$12.34M statutory cap during the same contract period. Create a provision in s. 49.24 to authorize the Department to retain, for child support administrative purposes under s. 49.22, the other 50 percent of federal incentives that exceed the statutory cap. Modify s. 20.445 (3)(nL) to permit the transfer of the Department's share of the federal incentive payments to s. 20.445 (3)(n).

Justification:

s. 49.24 limits county child support contracts to \$12.34M annually. In SFY03-05, DWD expects to earn federal incentives for child support enforcement performance in excess of the \$12.34M contract cap. Statutes currently do not address how federal incentive payments that exceed the contract cap should be handled.

The proposal to split federal incentive payments that exceed the cap will benefit the Department and local agencies. With the additional revenue to fund the Department's contracts with local agencies, it is likely that Wisconsin will earn a greater amount of incentive funding in SFY06 and beyond. The share of federal incentives retained by the Department will be used to fund the KIDS/CR&D budget.

Federal incentive payments will continue to come into s. 20.445 (3)(nL), which authorizes federal funds to be used for local assistance. In order for the Department to expend its share of the federal incentive payments exceeding the cap, revenue will need to be transferred from s. 20.445 (3)(nL) to s. 20.445 (3)(n), which authorizes the use of federal funds for the state administration of continuing programs.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0279

PJK:/.....

g's

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SOON
(10-3)
J-note

Agency budget draft

do not
gen cat

- 1 AN ACT *do not*; relating to: federal child support incentive payments and making an
- 2 appropriation. *gen cat*

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES ✓

OTHER HEALTH AND HUMAN SERVICES ✓

Under current state law, DWD must distribute child support incentive payments (incentive payments) to counties according to a formula worked out between DWD and representatives of counties. The incentive payments come from two sources: 1) federal incentive payments made to the state on the basis of successful child support enforcement efforts of DWD and county child support agencies and 2) any moneys that are left over from child support payments and enforcement collections after payments are made to the persons to whom the support is owed. The statutes provide that a county's share of the incentive payments may not exceed the costs of the county's child support program (generally, the program in each county under which child support is established and enforced), that all incentive payments received by a county may be used only for the costs of its child support program, and that the total incentive payments that are paid to all counties in a year may not exceed \$12,340,000.

This bill provides that, if the incentive payments received in a year from the federal government exceed \$12,340,000, the excess amount will be divided equally between the counties and DWD. Each county's share of one-half of the excess will be determined according to the formula that already determines the county's share of incentive payments. A county still may not receive incentive payments, however,

that exceed its child support program costs, and both the counties and DWD must use the excess incentive payments for costs of their child support programs.

For further information see the ~~state~~ estimate, which will be printed as an appendix to this bill

*FINISH
Analysis*

The people of the state of Wisconsin enact as follows:

Senate and assembly, do

1 SECTION 1. 20.445 (3) (nL) of the statutes is renumbered 20.445 (3) (nL) (intro.)
2 and amended to read:

3 20.445 (3) (nL) *Federal program local assistance; lapse; and state operations.*
4 (intro.) All moneys received from the federal government or any of its agencies for
5 continuing programs to be expended as local assistance for the purposes specified,
6 except that the following amounts shall lapse from this appropriation to the general
7 fund: in as follows:

8 1. In each calendar year, 55% of the federal moneys made available to support
9 prosecution of welfare fraud in this state, as determined by the secretary of
10 administration, shall lapse to the general fund.

note: bud →

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772nn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19); 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; 1999 a. 9 ss. 270, 458 to 478; 1999 a. 15, 32; 2001 a. 16, 35, 43, 104, 109.

11 SECTION 2. 20.445 (3) (nL) 2. of the statutes is created to read:
12 20.445 (3) (nL) 2. In each calendar year, 50% of the amount of the federal
13 moneys received as child support incentive payments that exceeds the maximum
14 specified in s. 49.24 (2) (b) shall be used by the department for administering the
15 program under s. 49.22.

16 SECTION 3. 49.24 (2) (b) of the statutes is amended to read:

1 49.24 (2) (b) ~~The~~ Except as provided in par. (c), the total of payments made to
2 counties under sub. (1) and in federal child support incentive payments may not
3 exceed \$12,340,000 per year.

History: 1997 a. 27; 1999 a. 9.

4 ~~SECTION 4.~~ 49.24 (2) (c) of the statutes is created to read:

5 49.24 (2) (c) If federal child support incentive payments that are received in a
6 year exceed the maximum specified in par. (b), 50% of the amount that exceeds the
7 maximum specified in par. (b) shall be distributed to counties according to the
8 formula under par. (b), subject to the incentive payments limit specified in par. (b),
9 and the remainder shall be retained by the department to pay administrative costs
10 of the department's child support program under s. 49.22.

11 ~~SECTION 5.~~ 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 under sub. (2) (a) or
14 (c) may use the funds only to pay costs under its child support program under s. 49.22.

History: 1997 a. 27; 1999 a. 9.

(END)

D - note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0279/3dn

PJK:.....

P1
gjs

- 2
1. Is there any provision under a contract, a state plan, or a federal law or regulation that would prohibit retention of federal child support incentive payments by the state for administration of the state's child support program? ✓
2. Does s. 49.22 (7m) need to be coordinated in any way with current s. 49.24 or the proposed language in this draft? Do you want the authority under s. 49.22 (7m) to retain incentive payments to be separate from, and in addition to, any authority under s. 49.24? ✓

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0279/P1dn
PJK:cjs:pg

October 8, 2002

1. Is there any provision under a contract or state plan that would prohibit retention of federal child support incentive payments by the state for administration of the state's child support program?
2. Does s. 49.22 (7m) need to be coordinated in any way with current s. 49.24 or the proposed language in this draft? Do you want the authority under s. 49.22 (7m) to retain incentive payments to be separate from, and in addition to, any authority under s. 49.24?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

STATUTORY LANGUAGE REQUEST
2003-05 BIENNIAL BUDGET

TOPIC: Federal Incentive Payments Exceeding the Statutory Cap
TEAM: EDUC
ANALYST: Fath
AGENCY: DWD
NUMBER: 445

491 279

BB0179

CORRESPONDENCE/Memorandum

State of Wisconsin

Department of Administration

Date: October 14, 2002
To: Steve Miller, LRB
From: Erin Fath, DOA
Subject: Statutory Language Request

DWD request 5604-STAT#2: Federal Incentive Payments Exceeding the Statutory Cap

Attached is a request for a statutory language change that DWD claims it submitted to LRB prior to submitting its biennial budget request to DOA. However, an LRB draft associated with this request was not included with DWD's biennial budget submission to DOA. I do not know if that means the LRB is still working on this request, or if a draft was returned to DWD, but not included in its biennial budget request submission to DOA.

I am submitting this request now to get it into DOA's statutory language tracking system as a DOA statutory language request item.

If you have any questions, please call me at 6-8219, or send me an email at: erin.fath@doa.state.wi.us.

Thank you.

STATUTORY MODIFICATIONS

Department of Workforce Development
2003-2005 Biennial Budget Request

DIN Number: 5604-STAT#2

Topic: Federal incentive payments exceeding the statutory cap

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Justification:

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The proposal to split federal incentive payments that exceed the cap will benefit the Department and local agencies. With the additional revenue to fund the Department's contracts with local agencies, it is likely that Wisconsin will earn a greater amount of incentive funding in SFY06 and beyond. The share of federal incentives retained by the Department will be used to fund the KIDS/CR&D budget.

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2003

Date (time) needed

SOON (10-15)

D-note
LRB-0279/P2

DOA BUDGET DRAFT

(converted from DWD draft)

PTK : gjs : _____

Use the appropriate components and routines developed for bills.

>>FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION<<

AN ACT . . . [DO NOT generate catalog]; relating to: the budget.
.....
.....

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:

For the main heading, execute: create → anal: → title: → head

For the subheading, execute: create → anal: → title: → sub

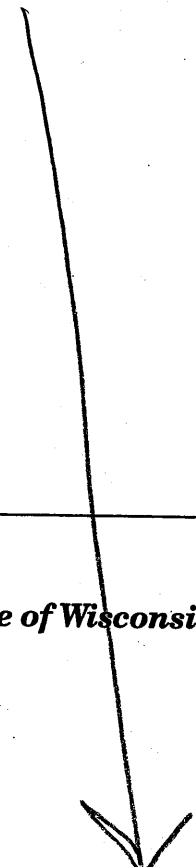
For the sub-subheading, execute: create → anal: → title: → sub-sub

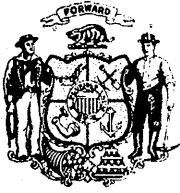
For the analysis text, in the component bar:

For the text paragraph, execute: create → anal: → text

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

SECTION #.





slays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 AN ACT ... relating to federal child support incentive payments and making an
2 appropriation.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Under current state law, DWD must distribute child support incentive payments (incentive payments) to counties according to a formula worked out between DWD and representatives of counties. The incentive payments come from two sources: 1) federal incentive payments made to the state on the basis of successful child support enforcement efforts of DWD and county child support agencies and 2) any moneys that are left over from child support payments and enforcement collections after payments are made to the persons to whom the support is owed. The statutes provide that a county's share of the incentive payments may not exceed the costs of the county's child support program (generally, the program in each county under which child support is established and enforced), that all incentive payments received by a county may be used only for the costs of its child support program, and that the total incentive payments that are paid to all counties in a year may not exceed \$12,340,000.

This bill provides that, if the incentive payments received in a year from the federal government exceed \$12,340,000, the excess amount will be divided equally between the counties and DWD. Each county's share of one-half of the excess will be determined according to the formula that already determines the county's share of incentive payments. A county still may not receive incentive payments, however,

that exceed its child support program costs, and both the counties and DWD must use the excess incentive payments for costs of their child support programs.

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:

1 **SECTION 1.** 20.445 (3) (nL) of the statutes is renumbered 20.445 (3) (nL) (intro.)
2 and amended to read:

3 20.445 (3) (nL) *Federal program local assistance; lapse; and state operations.*
4 (intro.) All moneys received from the federal government or any of its agencies for
5 continuing programs to be expended as local assistance for the purposes specified,
6 except that the following amounts shall lapse from this appropriation to the general
7 fund: in as follows:

8 1. In each calendar year, 55% of the federal moneys made available to support
9 prosecution of welfare fraud in this state, as determined by the secretary of
10 administration, shall lapse to the general fund.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

11 **SECTION 2.** 20.445 (3) (nL) 2. of the statutes is created to read:

12 20.445 (3) (nL) 2. In each calendar year, 50% of the amount of the federal
13 moneys received as child support incentive payments that exceeds the maximum
14 specified in s. 49.24 (2) (b) shall be used by the department for administering the
15 program under s. 49.22.

16 **SECTION 3.** 49.24 (2) (b) of the statutes is amended to read:

17 49.24 (2) (b) The Except as provided in par. (c), the total of payments made to
18 counties under sub. (1) and in federal child support incentive payments may not
19 exceed \$12,340,000 per year.

1 **SECTION 4.** 49.24 (2) (c) of the statutes is created to read:

2 49.24 (2) (c) If federal child support incentive payments that are received in a
3 year exceed the maximum specified in par. (b), 50% of the amount that exceeds the
4 maximum specified in par. (b) shall be distributed to counties according to the
5 formula under par. (a), subject to the incentive payments limit specified in par. (a),
6 and the remainder shall be retained by the department to pay administrative costs
7 of the department's child support program under s. 49.22.

8 **SECTION 5.** 49.24 (3) of the statutes is amended to read:

9 49.24 (3) A county that receives any state child support incentive payment
10 under sub. (1) or any federal child support incentive payment under sub. (2) (a) or
11 (c) may use the funds only to pay costs under its child support program under s. 49.22.

12

(END)

D - note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0279/P2dn

PJK: ~~efg~~

Erin:

1. Is there any provision under a contract or state plan that would prohibit retention of federal child support incentive payments by DWD for administration of the state's child support program?
2. Does s. 49.22 (7m) need to be coordinated in any way with current s. 49.24 or the proposed language in this draft? Should the authority under s. 49.22 (7m) to retain 50% of any incentive payment be separate from, and in addition to, the 50% retained by DWD under proposed s. 49.24 (2) (c)?
3. Should DWD be explicitly restricted to using incentive payments for the program under s. 49.22, and should the maximum amount that DWD may retain be limited by the costs of its program under s. 49.22? (See s. 49.24 (2) (a) and (3) with respect to counties.)

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0279/P2dn
PJK:cjs:jf

October 16, 2002

Erin:

1. Is there any provision under a contract or state plan that would prohibit retention of federal child support incentive payments by DWD for administration of the state's child support program?
2. Does s. 49.22 (7m) need to be coordinated in any way with current s. 49.24 or the proposed language in this draft? Should the authority under s. 49.22 (7m) to retain 50% of any incentive payment be separate from, and in addition to, the 50% retained by DWD under proposed s. 49.24 (2) (c)?
3. Should DWD be explicitly restricted to using incentive payments for the program under s. 49.22, and should the maximum amount that DWD may retain be limited by the costs of its program under s. 49.22? (See s. 49.24 (2) (a) and (3) with respect to counties.)

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

Kahler, Pam

From: Fath, Erin
Sent: Tuesday, January 21, 2003 6:39 PM
To: Kahler, Pam
Subject: RE: LRB Draft: 03-0279/P2 Federal incentive payments exceeding statutory cap

Hi Pam,

In response to your point, below: yes, although it seems more complicated, we would like to transfer the federal incentive revenues from (3)(nL) to (3)(n). The Dept requested (in it's appropriation restructuring DIN) to create a separate numeric within s.20.445 (3)(n) to keep these federal incentive funds separate from the other federal funds for child support activities in (3)(n) [you wouldn't have seen this in the statutory language request because it's a budget system thing]. Also, I believe the appropriation restructuring DIN modifies the ch. 20 language for (3)(n) to include funds used for the purposes under s.49.22.

A few other notes:

- You had asked whether the changes included in this draft need to be coordinated with the language in s.49.22 (7m). I had initially answered that I didn't think so, but the Dept. did get back to me with this response:

2. **Yes, s.49.22 (7m) and s.49.24 should be coordinated.** Although s.49.22 (7m) is discretionary authority ("the department may contract with or employ a collection agency...") the drafter is correct that a potential ambiguity could exist between its authority for the department to "retain up to 50% of any" incentive payment, as an option for funding certain specific activities, and DWD's proposal to provide counties the first \$12,340,000 in federal incentives (per s.49.24 in current law) and 50% of the amount available in a year above that amount. Language to reconcile this portion of s.49.22 (7m) with s.49.24 provisions reflected in this draft might read as follows: [Change to s.49.22 (7m)]

"To pay for the department's administrative costs of implementing this subsection, the department may charge a fee to counties, retain up to 50% of any incentive payment made to this state under 42 USC 658 for a collection under this subsection, use federal matching funds and funds retained by the department under s.49.24, or use up to and retain 30% of this state's share...."

- You had asked whether DWD should be explicitly restricted to using incentive payments for the program under s.49.22, etc. I had answered that I think the answer would be no, in both cases. That answer still holds; we do intent to permit the department to use the funds for the costs of receiving and disbursing support payments. The department's response:

3. For two reasons, there is no need to explicitly restrict DWD to using incentive payments for the program under s.49.22.

First, it was DWD's intent that the state share of the incentive payments above \$12,340,000 annually be available for any state-level child support responsibilities. While s.49.22 has sometimes been used as the most general reference to these responsibilities [e.g., s.20.445 (3) qm)], other appropriations for state child-support responsibilities include separate references to the costs of the central support receipt and disbursement program because this state responsibility is not clearly included within s.49.22 [see s.20.445 (3) (a)]. Similarly, since some of the other appropriations that fund state child-support activities include separate references to the cost of the program under s.49.22 and its administrative costs, [again see s.445 (3) (a)] **this ambiguity could be avoided by changing the reference to "administrative costs" in Section 4 of this draft in favor of language such as, "...the remainder shall be retained by the department to pay costs related to the receipt and disbursement of support and support-related payments or costs of department activities under s.49.22."**

Second, the current-law requirement that counties use incentive payments under s.49.24 only to pay child support program costs was adopted to address a concern that some counties could potentially earn amounts exceeding their expenditures on their child-support activities and use them for property tax relief. Since this draft addresses only the division of federal funds, the state will always be inherently restricted to spending them on federally eligible costs. Section 458 (A) of the Social Security Act and 45 FCR 305.35 require states to "reinvest" all their federal incentives in child-support activities.

- DWD requests an initial applicability date. Their explanation and proposed language (below), is wordy, but it is a complicated set up with federal child support incentive funds. This is what they sent to me:

It would be useful to consider a statutory or nonstatutory initial-applicability date. Under this federal program, federal funds are claimed based on estimates of program performance, and finalized retrospectively. For example, the federal notice

finalizing the FFY 02 aid amount will be received in the fall (e.g., October) this year (CY 03), well into the contract with counties for that calendar year. Therefore, it may be useful to provide a benchmark or timeframe to measure whether the amount paid under s.49.24 should be increased based on changes in this federal award, using language similar to:

"If the final federal award notice for federal fiscal year 2002, and the notice for each federal fiscal year thereafter, indicates that federal incentive payments for that federal fiscal year were greater than \$12,340,000, then the sum of contracts under s.49.24 for the next succeeding calendar year may exceed \$12,340,000 by 50% of the amount by which the notice indicated the incentive payments for that concluded federal fiscal year exceeded \$12,340,000."

- And finally ... a note about the bill analysis:

The reference in the LFB analysis to "2) any moneys left over from child support payments" struck department staff as peculiar. If the drafter is agreeable, we suggest using a reference to "2) certain child-support collections assigned to the state by public assistance recipients."

Sorry about all the changes - but thanks in advance!

-Erin Fath (6-8219)

-----Original Message-----

From: Kahler, Pam
Sent: Monday, January 13, 2003 10:58 AM
To: Fath, Erin
Subject: RE: LRB Draft: 03-0279/P2 Federal incentive payments exceeding statutory cap

Erin:

In response to "other notes": Yes, s. 20.445 (3) (n) is the appropriation that is used for state operations for child support, but s. 20.445 (3) (nL) is the appropriation that "receives" the funds that DWD wants to use for state operations for child support. DWD originally wanted to transfer the excess funds from (nL) to (n). I consulted with Becky Tradewell on the transfer, and she suggested that I just add the purpose for those excess funds to (nL), instead of transferring them. If they are transferred to (n), I would have to amend both (nL) and (n), instead of just (nL). The language that is currently added to (nL) would remain, except that the excess would be transferred instead of used, and then (n) would also have to be amended to use the moneys transferred. It seems simpler just to add the purpose for those excess funds to (nL) than to transfer the excess. Let me know, however, if you would prefer a transfer.

Pam

-----Original Message-----

From: Fath, Erin
Sent: Friday, January 10, 2003 10:15 AM
To: Kahler, Pam
Subject: FW: LRB Draft: 03-0279/P2 Federal incentive payments exceeding statutory cap

Pam,

You had a few question on draft 0279/P2 that I did not get around to answering. Below are some answers to the questions you posed in the drafter's comments (which are attached below).

- 1) No.
- 2) I've been working with the department on this questions, but they still have to get back to me. They hope to get back to me by Monday/Tuesday. However, I think the provision that we're adding to allow the Dept. to use Federal incentive funds in excess of the current statutory cap for both state child support operations and for the child support contracts with counties would be separate from the provision under s.49.22 (7m).
- 3) I think the answer to this might actually be no (to both parts of the question). We want to limit the Dept's use of Federal incentive funds in excess of the statutory cap to use for child support operations, which might include operating the centralized receipt and disbursement (CR&D) system. I'm not sure if by limiting the use of the excess federal incentive funds to the program under s.49.22 we would be excluding the CR&D system from the purposes for which they could use the funds.

Other notes:

The draft amends the chapter 20 appropriation language under s. 20.445 (3)(nL) to reflect that the Dept. shall use 50% of the federal incentive revenues in excess of the statutory cap. However, I wonder if it should amend

s.20.445 (3)(n) - which is the appropriation that is used for state operations for child support. The Dept. actually asked about not amending the chapter 20 appropriation language at all ... I would suspect we need to get the reference to the excess federal incentive funds in the chapter 20 language somewhere. I think (3)(n) is the correct appropriation for this. Maybe this is where we need to insert language that allows the Dept. to use the funds for the program under s.49.22 as well as for receiving/disbursing support and support-related payments?

Thanks - and sorry for the long delay in getting back to you on this draft.

-Erin

<< File: 03-0279/P2 >> << File: 03-0279/P2dn >>

-----Original Message-----

From: Frantzen, Jean
Sent: Wednesday, October 16, 2002 8:28 AM
To: Fath, Erin
Cc: Hanle, Bob; Uecker, Deborah; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 03-0279/P2 Federal incentive payments exceeding statutory cap

Following is the PDF version of draft 03-0279/P2.

<< File: 03-0279/P2dn >> << File: 03-0279/P2 >>



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0279/33

PJK:cjs:j

P3

r m is run

stays

DOA:.....Fath – BB0179, Federal incentive payments exceeding statutory cap

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

*SOON
(1-30)
D-urge*

*do not
get cut*

1
2

AN ACT *;* relating to: federal child support incentive payments and making an appropriation.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Under current state law, DWD must distribute child support incentive payments (incentive payments) to counties according to a formula worked out between DWD and representatives of counties. The incentive payments come from two sources: 1) federal incentive payments made to the state on the basis of successful child support enforcement efforts of DWD and county child support agencies and 2) ~~any moneys that are left over from child support payments and enforcement collections after payments are made to the persons to whom the support is owed.~~ The statutes provide that a county's share of the incentive payments may not exceed the costs of the county's child support program (generally, the program in each county under which child support is established and enforced), that all incentive payments received by a county may be used only for the costs of its child support program, and that the total incentive payments that are paid to all counties in a year may not exceed \$12,340,000.

This bill provides that, if the incentive payments received in a year from the federal government exceed \$12,340,000, the excess amount will be divided equally

→ certain child support collection assigned to the state by public assistance recipients

between the counties and DWD. Each county's share of one-half of the excess will be determined according to the formula that already determines the county's share of incentive payments. A county still may not receive incentive payments, however, that exceed its child support program costs, and ~~both the counties and DWD~~ ^{the} must use the excess incentive payments for costs of ~~their~~ ^{the} child support programs. ^{Sub A}

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:

Insert 2-1

[Handwritten signature]

SECTION 1. 20.445 (3) (nL) of the statutes is renumbered 20.445 (3) (nL) (intro.) and amended to read:

20.445 (3) (nL) *Federal program local assistance; lapse; and* ~~XXXXXXXXXXXXXXXXXXXX~~
(intro.) All moneys received from the federal government or any of its agencies for continuing programs to be expended as local assistance for the purposes specified, except that the following amounts shall lapse from this appropriation to the general fund: in as follows:

1. In each calendar year, 55% of the federal moneys made available to support prosecution of welfare fraud in this state, as determined by the secretary of administration, shall lapse to the general fund.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.445 (3) (nL) 2. of the statutes is created to read:

20.445 (3) (nL) 2. In each calendar year, 50% of the amount of the federal moneys received as child support incentive payments that exceeds the maximum specified in s. 49.24 (2) (b) shall be ~~used by the department for administering the~~

Insert 2-1B

~~program under s. 49.24~~

SECTION 3. 49.24 (2) (b) of the statutes is amended to read:

transferred to the appropriation account under par. (Kc)

1 49.24 (2) (b) The Except as provided in par. (c), the total of payments made to
2 counties under sub. (1) and in federal child support incentive payments may not
3 exceed \$12,340,000 per year.

4 SECTION 4. 49.24 (2) (c) of the statutes is created to read:

5 49.24 (2) (c) If federal child support incentive payments that are received ^{for} in a
6 year exceed the maximum specified in par. (b), 50% of the amount that exceeds the
7 maximum specified in par. (b) shall be distributed to counties according to the
8 formula under par. (a), subject to the incentive payments limit specified in par. (a),
9 and the remainder shall be retained by the department to pay ^{SS.} ~~administrative~~ ^{the} costs
10 of the department's ~~child support program~~ ^{activities} under ~~§~~ [§] 49.22 ⁶

11 SECTION 5. 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 under sub. (2) (a) or
14 (c) may use the funds only to pay costs under its child support program under s. 49.22.

15 (END)

Enset 3-14

and 49.227
↑ and costs related to
receiving and
disbursing support
and support-related
payments

D - note

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0279/22ins
PJK:ejf

P3

INSERT A

not
DWD may use its share of any excess incentive payments for its activities under its child support enforcement program and for the costs of receiving and disbursing support and support-related payments.

(END OF INSERT A)

INSERT 2-1

See new insert 2-1 after m-dash next page

1 SECTION 1. 20.445 (3) (kc) of the statutes is created to read:
2 20.445 (3) (kc) Child support state operations ~~transfer of federal incentive~~
3 payments. All moneys transferred from the appropriation account under par. (nL),
4 for any purpose under s. 49.22 or 49.227 and for any costs associated with receiving
5 and disbursing support and support-related payments.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

(END OF INSERT 2-1)

INSERT 2-15

6 SECTION 2. 49.22 (7m) of the statutes is amended to read:
7 49.22 (7m) The department may contract with or employ a collection agency
8 or other person to enforce a support obligation of a parent who is delinquent in
9 making support payments and may contract with or employ an attorney to appear
10 in an action in state or federal court to enforce such an obligation. To pay for the
11 department's administrative costs of implementing this subsection, the department
12 may charge a fee to counties, ~~retain up to 50% of any incentive payment made to this~~
13 ~~state under 42 USC 658 for a collection under this subsection, and retain use federal~~
14 matching funds or funds retained by the department under s. 49.24 (2) (c), or use up
15 to 30% of this state's share of a collection made under this subsection on behalf of a

1 recipient of aid to families with dependent children or a recipient of kinship care
2 payments under s. 48.57 (3m) or long-term kinship care payments under s. 48.57
3 (3n).

History: 1975 c. 82; 1977 c. 26, 29, 203, 418; 1979 c. 196, 221; 1981 c. 20, 93; 1983 a. 27; 1985 a. 29 ss. 861m to 866, 2390 to 2399; 1987 a. 27; 1987 a. 332 s. 64; 1987 a. 399, 403, 413; 1989 a. 31; 1991 a. 39; 1993 a. 16, 481; 1995 a. 27 ss. 2128m to 2134, 9126 (19), 9130 (4); 1995 a. 77, 187, 201, 225, 289; 1995 a. 404 ss. 39 to 43, 45, 46, 48, 173, 174; Stats. 1995 s. 49.22; 1997 a. 27, 105, 191, 237; 1999 a. 32; 2001 a. 16.

(END OF INSERT 2-15)

(n) and (nL)

INSERT 3-14

4 **SECTION 9359. Initial applicability; workforce development.**

5 (1) EXCESS CHILD SUPPORT INCENTIVE PAYMENTS. The treatment of sections 20.445

6 (3) ~~49.22~~ 49.22 (7m), and 49.24 (2) (b) and (c) and (3) of the statutes, the renumbering
7 and amendment of section 20.445 (3) (nL) of the statutes, and the creation of section
8 20.445 (3) (nL) 2. of the statutes first apply to child support incentive payments
9 awarded for 2002.

(END OF INSERT 3-14)

applies

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0279/P3ins
PJK:cjs:jf

INSERT 2-1

1 SECTION 1. 20.445 (3) (n) of the statutes is amended to read:

2 20.445 (3) (n) *Federal program operations*. All moneys received from the
3 federal government or any of its agencies for the state administration of continuing
4 programs and 50% of the amount of federal moneys received as child support
5 incentive payments that exceeds the maximum specified in s. 49.24 (2) (b), to be
6 expended for the purposes specified.

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772mn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19), 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; 1999 a. 9 ss. 270, 458 to 478; 1999 a. 15, 32; 2001 a. 16, 35, 43, 104, 109.

7 SECTION 2. 20.445 (3) (nL) of the statutes is amended to read:

8 20.445 (3) (nL) *Federal program local assistance*. All moneys received from the
9 federal government or any of its agencies for continuing programs, except for 50% of
10 the amount of the federal moneys received as child support incentive payments that
11 exceeds the maximum specified in s. 49.24 (2) (b), to be expended as local assistance
12 for the purposes specified, except that the following amounts shall lapse from this
13 appropriation to the general fund: in each calendar year, 55% of the federal moneys
14 made available to support prosecution of welfare fraud in this state, as determined
15 by the secretary of administration.

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772mn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19), 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; 1999 a. 9 ss. 270, 458 to 478; 1999 a. 15, 32; 2001 a. 16, 35, 43, 104, 109.

(END OF INSERT 2-1)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0279/P3dn
PJK:cj:jf

Erin:

1. I haven't heard anything on this one in awhile, so I don't know if it is still in. In any case, I transferred one-half of the excess incentive payments to a new appropriation under s. 20.445 (3) (kc) and amended current law s. 49.22 (7m), proposed s. 49.24 (2) (c), and the analysis in the manner suggested. ✓

2. I could be wrong, but it seems to me that the language DWD provided related to an initial applicability is more in the way of how they propose to administer the new provision. I think they could fashion a way to administer splitting the excess incentive payments without any language on this in the statutes or nonstatutes. They may want the change to begin, however, with payments made for 2002 and reconciled in 2003, so I added an initial applicability for that. ✓

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

I didn't amend s. 20.445 (3) (n) to show the new purpose for that appropriation since it will be included from LRB-1243 when all of the drafts are compiled and reconciled. ✓

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

LRB-0279/P3dn
PJK:cjs:cph

January 31, 2003

Erin:

I didn't amend s. 20.445 (3) (n) to show the new purpose for that appropriation since it will be included from LRB-1243 when all of the drafts are compiled and reconciled.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0279/23

PJK:cjs:cph

W. J. ...

DOA:.....Fath – BB0179, Federal incentive payments exceeding statutory cap

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

Vote

do not present

1 AN ACT *relating to:* federal child support incentive payments and making an
2 appropriation.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Under current state law, DWD must distribute child support incentive payments (incentive payments) to counties according to a formula worked out between DWD and representatives of counties. The incentive payments come from two sources: 1) federal incentive payments made to the state on the basis of successful child support enforcement efforts of DWD and county child support agencies and 2) certain child support collections assigned to the state by public assistance recipients. The statutes provide that a county's share of the incentive payments may not exceed the costs of the county's child support program (generally, the program in each county under which child support is established and enforced), that all incentive payments received by a county may be used only for the costs of its child support program, and that the total incentive payments that are paid to all counties in a year may not exceed \$12,340,000.

This bill provides that, if the incentive payments received in a year from the federal government exceed \$12,340,000, the excess amount will be divided equally between the counties and DWD. Each county's share of one-half of the excess will

be determined according to the formula that already determines the county's share of incentive payments. A county still may not receive incentive payments, however, that exceed its child support program costs and must use the excess incentive payments for the costs of its child support program.

DWD may use its share of any excess incentive payments for activities under its child support enforcement program and for the costs of receiving and disbursing support and support-related payments.

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:

1 SECTION 1. 20.445 (3) (n) of the statutes is amended to read:

2 20.445 (3) (n) *Federal program operations*. All moneys received from the
3 federal government or any of its agencies for the state administration of continuing
4 programs and 50% of the amount of federal moneys received as child support
5 incentive payments that exceeds the maximum specified in s. 49.24 (2) (b), to be
6 expended for the purposes specified.

Federal funds

7 SECTION 2. 20.445 (3) (nL) of the statutes is amended to read:

8 20.445 (3) (nL) ~~*Federal program*~~ *local assistance*. All moneys received from the
9 federal government or any of its agencies for continuing programs, except for 50% of
10 the amount of the federal moneys received as child support incentive payments that
11 exceeds the maximum specified in s. 49.24 (2) (b), to be expended as local assistance
12 for the purposes specified, except that the following amounts shall lapse from this
13 appropriation to the general fund: in each calendar year, 55% of the federal moneys
14 made available to support prosecution of welfare fraud in this state, as determined
15 by the secretary of administration.

Child support

16 SECTION 3. 49.22 (7m) of the statutes is amended to read:

Enact 2-15

1 49.22 (7m) The department may contract with or employ a collection agency
2 or other person to enforce a support obligation of a parent who is delinquent in
3 making support payments and may contract with or employ an attorney to appear
4 in an action in state or federal court to enforce such an obligation. To pay for the
5 department's administrative costs of implementing this subsection, the department
6 may charge a fee to counties, ~~retain up to 50% of any incentive payment made to this~~
7 ~~state under 42 USC 658 for a collection under this subsection, and retain use federal~~
8 ~~matching funds or funds retained by the department under s. 49.24 (2) (c), or use up~~
9 ~~to 30% of this state's share of a collection made under this subsection on behalf of a~~
10 ~~recipient of aid to families with dependent children or a recipient of kinship care~~
11 ~~payments under s. 48.57 (3m) or long-term kinship care payments under s. 48.57~~
12 ~~(3n).~~

13 **SECTION 4.** 49.24 (2) (b) of the statutes is amended to read:

14 49.24 (2) (b) The Except as provided in par. (c), the total of payments made to
15 counties under sub. (1) and in federal child support incentive payments may not
16 exceed \$12,340,000 per year.

17 **SECTION 5.** 49.24 (2) (c) of the statutes is created to read:

18 49.24 (2) (c) If federal child support incentive payments that are received for
19 a year exceed the maximum specified in par. (b), 50% of the amount that exceeds the
20 maximum specified in par. (b) shall be distributed to counties according to the
21 formula under par. (a), subject to the incentive payments limit specified in par. (a),
22 and the remainder shall be retained by the department to pay the costs of the
23 department's activities under ss. 49.22 and 49.227 and costs related to receiving and
24 disbursing support and support-related payments.

25 **SECTION 6.** 49.24 (3) of the statutes is amended to read:

1 49.24 (3) A county that receives any state child support incentive payment
 2 under sub. (1) or any federal child support incentive payment under sub. (2) (a) or
 3 (c) may use the funds only to pay costs under its child support program under s. 49.22.

4 **SECTION 9359. Initial applicability; workforce development.**

5 (1) EXCESS CHILD SUPPORT INCENTIVE PAYMENTS. The treatment of sections 20.445
 6 (3) (n), and (nL), 49.22 (7m), and 49.24 (2) (b) and (c) and (3) of the statutes first
 7 applies to child support incentive payments awarded for 2002.

8 (END)

(with respect to federal moneys received as child support payments)

J-note

*4 This draft reconciles LRB-0279, ~~LRB-1243~~ LRB-1243,
 all three ~~drafts~~ drafts showed contents to appear in the
 compiled bill 0*

, and LRB-1824

JPK

bus 2-15

(3)

✓ XXXX NOTE: bud

(3)

✓ XXXX NOTE: This is reconciled s. 20.445

(3)(nL) ✓ This section has been affected by

LRB-0279 and LRB-1243.

(end of bus 2-15)

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

LRB-0279/1dn
PJK:wlj:jf

February 6, 2003

This draft reconciles LRB-0279, LRB-1243, and LRB-1824. All three drafts should continue to appear in the compiled bill.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0279/2
PJK:cjs&wlj
r m i s n e n

DOA:.....Fath – BB0179, Federal incentive payments exceeding statutory cap

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SOON
(2-13)
D-vote

Check Auto Refs

do not get cut

- 1 AN ACT *relating to:* federal child support incentive payments and making an
- 2 appropriation.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Under current state law, DWD must distribute child support incentive payments (incentive payments) to counties according to a formula worked out between DWD and representatives of counties. The incentive payments come from two sources: 1) federal incentive payments made to the state on the basis of successful child support enforcement efforts of DWD and county child support agencies and 2) certain child support collections assigned to the state by public assistance recipients. The statutes provide that a county's share of the incentive payments may not exceed the costs of the county's child support program (generally, the program in each county under which child support is established and enforced), that all incentive payments received by a county may be used only for the costs of its child support program, and that the total incentive payments that are paid to all counties in a year may not exceed \$12,340,000.

This bill provides that, if the incentive payments received in a year from the federal government exceed \$12,340,000, the excess amount will be divided equally between the counties and DWD. Each county's share of one-half of the excess will

be determined according to the formula that already determines the county's share of incentive payments. A county still may not receive incentive payments, however, that exceed its child support program costs and must use the excess incentive payments for the costs of its child support program.

DWD may use its share of any excess incentive payments for activities under its child support enforcement program and for the costs of receiving and disbursing support and support-related payments.

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:

1 SECTION 1. 20.445 (3) (nL) of the statutes is amended to read:

2 20.445 (3) (nL) ~~Federal program~~ Child support local assistance; federal funds.

3 All moneys received from the federal government or any of its agencies for continuing
4 programs, except for 50% of the amount of the federal moneys received as child
5 support incentive payments that exceeds the maximum specified in s. 49.24 (2) (b),
6 to be expended as local assistance for the purposes specified, except that the
7 following amounts shall lapse from this appropriation to the general fund: in each
8 calendar year, 55% of the federal moneys made available to support prosecution of
9 welfare fraud in this state, as determined by the secretary of administration.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

****NOTE: This is reconciled s. 20.445 (3) (nL). This SECTION has been affected by LRB-0279 and LRB-1243.

10 SECTION 2. 49.22 (7m) of the statutes is amended to read:

11 49.22 (7m) The department may contract with or employ a collection agency
12 or other person to enforce a support obligation of a parent who is delinquent in
13 making support payments and may contract with or employ an attorney to appear
14 in an action in state or federal court to enforce such an obligation. To pay for the
15 department's administrative costs of implementing this subsection, the department

1 may charge a fee to counties, ~~retain up to 50% of any incentive payment made to this~~
2 ~~state under 42 USC 658 for a collection under this subsection, and retain~~ use federal
3 matching funds or funds retained by the department under s. 49.24 (2) (c), or use up
4 to 30% of this state's share of a collection made under this subsection on behalf of a
5 recipient of aid to families with dependent children or a recipient of kinship care
6 payments under s. 48.57 (3m) or long-term kinship care payments under s. 48.57
7 (3n).

8 **SECTION 3.** 49.24 (2) (b) of the statutes is amended to read:

9 49.24 (2) (b) ~~The~~ Except as provided in par. (c), the total of payments made to
10 counties under sub. (1) and in federal child support incentive payments may not
11 exceed \$12,340,000 per year.

12 **SECTION 4.** 49.24 (2) (c) of the statutes is created to read:

13 49.24 (2) (c) If federal child support incentive payments that are received for
14 a year exceed the maximum specified in par. (b), 50% of the amount that exceeds the
15 maximum specified in par. (b) shall be distributed to counties according to the
16 formula under par. (a), subject to the incentive payments limit specified in par. (a),
17 and the remainder shall be retained by the department to pay the costs of the
18 department's activities under ss. 49.22 and 49.227 and costs related to receiving and
19 disbursing support and support-related payments.

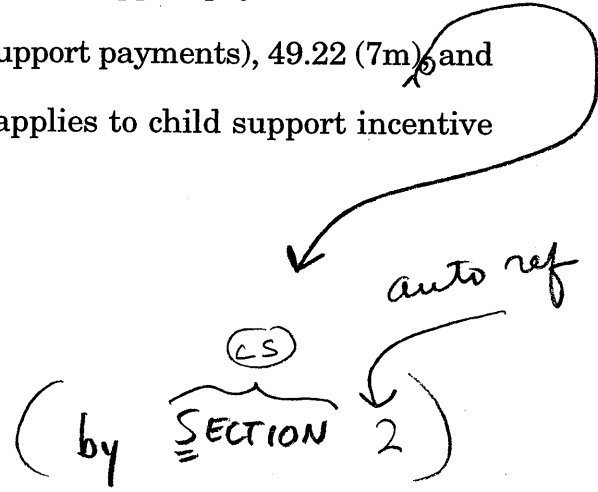
20 **SECTION 5.** 49.24 (3) of the statutes is amended to read:

21 49.24 (3) A county that receives any state child support incentive payment
22 under sub. (1) or any federal child support incentive payment under sub. (2) (a) or
23 (c) may use the funds only to pay costs under its child support program under s. 49.22.

24 **SECTION 9359. Initial applicability; workforce development.**

1 (1) EXCESS CHILD SUPPORT INCENTIVE PAYMENTS. The treatment of sections 20.445
 2 (3) (n) (with respect to federal moneys received as child support payments) and (nL)
 3 (with respect to federal moneys received as child support payments), 49.22 (7m) and
 4 49.24 (2) (b) and (c) and (3) of the statutes first applies to child support incentive
 5 payments awarded for 2002.

(END)



D-note

Emi:

This draft reconciles LRB-0279 and LRB-1824 by specifying ~~that~~ in the initial applicability ~~of~~ provision which treatment of s. 49.22 (7m) first applies to child support incentive payments awarded for 2002. Both drafts should continue to appear in the compiled bill.

PJK

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

LRB-0279/2dn
PJK:wlj:jf

February 14, 2003

Erin:

This draft reconciles LRB-0279 and LRB-1824 by specifying in the initial applicability provision which treatment of s. 49.22 (7m) first applies to child support incentive payments awarded for 2002. Both drafts should continue to appear in the compiled bill.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0279/2
PJK:cjs&wlj:jf

DOA:.....Fath – BB0179, Federal incentive payments exceeding statutory cap

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: federal child support incentive payments and making an
2 appropriation.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Under current state law, DWD must distribute child support incentive payments (incentive payments) to counties according to a formula worked out between DWD and representatives of counties. The incentive payments come from two sources: 1) federal incentive payments made to the state on the basis of successful child support enforcement efforts of DWD and county child support agencies and 2) certain child support collections assigned to the state by public assistance recipients. The statutes provide that a county's share of the incentive payments may not exceed the costs of the county's child support program (generally, the program in each county under which child support is established and enforced), that all incentive payments received by a county may be used only for the costs of its child support program, and that the total incentive payments that are paid to all counties in a year may not exceed \$12,340,000.

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be determined according to the formula that already determines the county's share of incentive payments. A county still may not receive incentive payments, however, that exceed its child support program costs and must use the excess incentive payments for the costs of its child support program.

DWD may use its share of any excess incentive payments for activities under its child support enforcement program and for the costs of receiving and disbursing support and support-related payments.

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:

1 **SECTION 1.** 20.445 (3) (nL) of the statutes is amended to read:

2 20.445 (3) (nL) ~~*Federal program*~~ *Child support local assistance; federal funds.*

3 All moneys received from the federal government or any of its agencies for continuing
4 programs, except for 50% of the amount of the federal moneys received as child
5 support incentive payments that exceeds the maximum specified in s. 49.24 (2) (b),
6 to be expended as local assistance for the purposes specified, except that the
7 following amounts shall lapse from this appropriation to the general fund: in each
8 calendar year, 55% of the federal moneys made available to support prosecution of
9 welfare fraud in this state, as determined by the secretary of administration.

 ***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

 ***NOTE: This is reconciled s. 20.445 (3) (nL). This SECTION has been affected by LRB-0279 and LRB-1243.

10 **SECTION 2.** 49.22 (7m) of the statutes is amended to read:

11 49.22 (7m) The department may contract with or employ a collection agency
12 or other person to enforce a support obligation of a parent who is delinquent in
13 making support payments and may contract with or employ an attorney to appear
14 in an action in state or federal court to enforce such an obligation. To pay for the
15 department's administrative costs of implementing this subsection, the department

1 may charge a fee to counties, ~~retain up to 50% of any incentive payment made to this~~
2 ~~state under 42 USC 658 for a collection under this subsection, and retain use federal~~
3 ~~matching funds or funds retained by the department under s. 49.24 (2) (c), or use up~~
4 ~~to 30% of this state's share of a collection made under this subsection on behalf of a~~
5 ~~recipient of aid to families with dependent children or a recipient of kinship care~~
6 ~~payments under s. 48.57 (3m) or long-term kinship care payments under s. 48.57~~
7 ~~(3n).~~

8 **SECTION 3.** 49.24 (2) (b) of the statutes is amended to read:

9 49.24 (2) (b) ~~The Except as provided in par. (c), the~~ total of payments made to
10 counties under sub. (1) and in federal child support incentive payments may not
11 exceed \$12,340,000 per year.

12 **SECTION 4.** 49.24 (2) (c) of the statutes is created to read:

13 49.24 (2) (c) If federal child support incentive payments that are received for
14 a year exceed the maximum specified in par. (b), 50% of the amount that exceeds the
15 maximum specified in par. (b) shall be distributed to counties according to the
16 formula under par. (a), subject to the incentive payments limit specified in par. (a),
17 and the remainder shall be retained by the department to pay the costs of the
18 department's activities under ss. 49.22 and 49.227 and costs related to receiving and
19 disbursing support and support-related payments.

20 **SECTION 5.** 49.24 (3) of the statutes is amended to read:

21 49.24 (3) A county that receives any state child support incentive payment
22 under sub. (1) or any federal child support incentive payment under sub. (2) (a) or
23 (c) may use the funds only to pay costs under its child support program under s. 49.22.

24 **SECTION 9359. Initial applicability; workforce development.**

