

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **05/13/2003**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Reinhardt**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Dom. Rel. - child support**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Reinhardt -

Topic:

Child support incentive payments and order reconciliations

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 05/15/2003	jdyer 05/15/2003 jdyer 05/15/2003		_____			
/1			pgreensl 05/16/2003	_____	sbasford 05/16/2003		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	pkahler 05/16/2003	jdye 05/19/2003	jfrantze 05/19/2003	_____	mbarman 05/19/2003		
/3	pkahler 05/22/2003	jdye 05/22/2003	rschluet 05/22/2003	_____	sbasford 05/22/2003		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 05/13/2003

Received By: pkahler

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Reinhardt

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Dom. Rel. - child support

Extra Copies:

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Reinhardt -

Topic:

Child support incentive payments and order reconciliations

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 05/15/2003	jdyer 05/15/2003 jdyer 05/15/2003					
/1		13 5/22/03 jd	pgreensl 05/16/2003		sbasford 05/16/2003		

Handwritten signatures and initials, including "pb" and "5-22-3".

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	pkahler 05/16/2003	jdye 05/19/2003	jfrantze 05/19/2003	_____	mbarman 05/19/2003		

FE Sent For:

<END>

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 05/13/2003

Received By: pkahler

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Reinhardt

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Dom. Rel. - child support

Extra Copies:

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Reinhardt -

Topic:

Child support incentive payments and order reconciliations

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	1/15 jld	5/16 PG	5/16 PG/esp			

FE Sent For:

<END>



Legislative Fiscal Bureau

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

Date: 5-13-2003

DELIVER TO: Pam Kahler

Addressee Fax #: 46948 Addressee Phone #: _____

of Pages, Including Cover: 3 Sender's Initials: DR

From: Rob Reinhardt

Message:

Senator Lazich
Representative Huebsch

WORKFORCE DEVELOPMENT – CHILD SUPPORT

**Expedite Percentage-Expressed Order Reconciliation
[LFB Paper #866]**

Motion:

Move to modify the Governor's recommendation regarding the division of federal child support incentive payments in excess of \$12,340,000 as follows:

John a. Specify that the new provisions would first apply to incentive payments awarded to the state for federal fiscal year 2002.

need to amend any fed oppo?

✓ b. Provide \$1,000,000 GPR in 2003-04 to the Department of Workforce Development (DWD) in a newly-created, continuing appropriation for distribution to county child support agencies for reconciliation of percentage-expressed support orders, along with \$1,941,200 FED in child support matching funds. Specify that counties could only use these funds for the purpose of completing the order reconciliation process by September 30, 2004, and not to supplant current local child support enforcement expenditures.

part

✓ c. Specify that, beginning with federal incentive funds distributed during the 2004-05 state fiscal year, the state would retain 70% of the amount of federal incentive payments in excess of \$12,340,000 and counties would receive 30%.

all Rob?

d. In 2004-05, provide \$2,718,000 FED in additional incentive payments to DWD's Bureau of Child Support (BCS) and reduce GPR funding in BCS by that amount. Further, provide additional incentive payments to counties of \$682,000 in 2004-05 along with \$1,323,900 in additional federal matching funds.

e. Specify that DWD must distribute all of the first \$12,340,000 in federal incentive payments each year plus all of the county share of federal incentive payments in excess of \$12,340,000 (50% in state fiscal year 2003-04 and 30% thereafter), along with the associated federal matching funds, to county child support agencies.

Note:

This motion would make a number of modifications to the Governor's recommendation to evenly divide federal child support incentive payments in excess of \$12,340,000 between DWD and county child support agencies. First a clarification of the initial applicability provision that

was requested by the administration would be adopted. In addition, the motion would provide \$1,000,000 GPR in 2003-04 to county child support agencies, along with \$1,941,200 in federal matching funds, in order to complete the percentage-expressed order reconciliation process by September 30, 2004, which would result in an estimated \$3,400,000 in additional federal incentive payments in 2004-05. Further, beginning with federal child support incentive payments distributed to counties in state fiscal year 2004-05, the share of excess incentive payments retained by the state would be increased to 70% and the county share would be decreased to 30%. Also, the amount of GPR funding appropriated to BCS would be decreased by the amount of additional incentive payments received by DWD in 2004-05.

The motion would also require DWD to distribute all of the first \$12,340,000 in federal incentive payments each year plus all of the county share of federal incentive payments in excess of \$12,340,000 (50% in state fiscal year 2003-04 and 30% thereafter) to county child support agencies. Under current law, the \$12,340,000 amount is the maximum distribution to counties, but DWD is not required to provide this amount.

Compared to the bill, under this motion, it is estimated that DWD and county child support agencies would receive additional federal funding of \$6,665,100 in the 2003-05 biennium (\$3,400,000 in incentive payments and \$3,265,100 in matching funds). In addition, \$1,000,000 GPR that would be appropriated to DWD in 2004-05 under the bill would, instead, be distributed to counties in 2003-04 to expedite the PEO reconciliation process, and an additional \$1,718,000 GPR would be deleted from DWD's child support budget in 2004-05. Of the \$6,665,100 in additional federal funding, \$3,947,100 would be distributed to counties and \$2,718,000 would be retained by DWD to offset the GPR reductions in the second year.

In total, counties would receive additional estimated funding of \$4,947,100 (\$1,000,000 GPR and \$3,947,100 FED), compared to the bill. DWD would receive no net additional funding. Instead, \$2,718,000 GPR appropriated to BCS in 2004-05 under the bill would be replaced with federal incentive funds.

[Change to Bill: -\$1,718,000 GPR, \$6,665,100 FED]

Motion 510

initial ap

↑ 70 - 30 20 & thereafter
50-50 dist

12,340,000 counties would get all this plus

to require counties get matching funds
associated w/

fed fiscal yr
state fiscal yr
calendar yr

when paid - received
awarded for when

pay 12,340,000 each yr -
of amt received in that yr (paid)
but awarded for
a ~~yr~~ previous yr?

50% + 50% of amt awarded to state
for fed fiscal yr 2002

then ^{the} 70% + 30% of amt awarded to
state for fed fiscal yr,
beginning w/ fed fiscal yr 2003

but how does that relate to
12,340,000 per year?

plus

Q ~~awarded~~ Sept 30 - 03

\$ awarded 02, paid in Feb 03

FFY 03
cal yr 03

FFY 2003 for 70-30 split

FFY 02 ~~awarded~~ ~~awarded~~

awarded ^{on} FFY 03 * 12. + 30%
preceding

call for

up 12,340,000

if less than, total request
12.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0178

PJK:.....

jd

LFB:.....Reinhardt - Child support incentive payments and order reconciliations

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

SOON
(5-15)

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

2 1. Page 382, line 14: after that line insert:

3 "SECTION 503r. 20.445 (3) (bm) of the statutes is created to read:

4 20.445 (3) (bm) *Child support order reconciliation assistance*. As a continuing

5 appropriation, the amounts in the schedule for distribution to county child support

6 agencies for arrearages reconciliation of percentage-expressed child support orders.

7 Amounts distributed to a county under this paragraph may be used only for the

8 purpose of completing the child support order reconciliation process by September

9 30, 2004, and may not be used to supplant current local child support enforcement

10 expenditures by the county.

1 SECTION 503s. 20.445 (3) (bm) of the statutes, as created by 2003 Wisconsin Act
2 ... (this act), is repealed.”.

3 2. Page 387, line 15: delete lines 15 and 16 and substitute “All federal child
4 support incentive payments retained under s. 49.24 (2) (c), and all moneys”.

5 3. Page 388, line 6: delete lines 6 and 7 and substitute “programs, except for
6 federal child support incentive payments retained by the department under s. 49.24
7 (2) (c).”.

8 4. Page 588, line 4: delete lines 4 to 15 and substitute:
9 “SECTION 1296c. 49.24 (2) (b) of the statutes is repealed and recreated to read:
10 49.24 (2) (b) Subject to the incentive payments limit specified in par. (a), the
11 department shall distribute to counties, in accordance with the formula established
12 under par. (a), all of the following:

13 1. Of the amount of federal child support incentive payments awarded to the
14 state for federal fiscal year 2002, the amount awarded if that amount is less than
15 \$12,340,000, or \$12,340,000 plus 50% of the amount awarded that exceeds
16 \$12,340,000.

17 2. Of the amount of federal child support incentive payments awarded to the
18 state for each federal fiscal year after federal fiscal year 2002, the amount awarded
19 if that amount is less than \$12,340,000, or \$12,340,000 plus 30% of the amount
20 awarded that exceeds \$12,340,000.

21 3. All federal matching funds associated with the amounts distributed under
22 subds. 1. and 2.

23 → SECTION 1296e. CR; 49.24 (2)(c)
49.24 (2)(c) The department shall retain 50% of the amount of federal child support
24 incentive payments awarded to the state for federal fiscal year 2002 that exceeds

1 \$12,340,000, and shall retain 70% of the amount of federal child support incentive
 2 payments awarded to the state for each federal fiscal year after federal fiscal year
 3 2002 that exceeds \$12,340,000, to be used to pay the costs of the department's
 4 activities under ss. 49.22 and 49.227 and costs related to receiving and disbursing
 5 support and support-related payments.

6 → SECTION 12969. CR; 49.24(2)(d)
 6 49.24(a)(d) If the amount of federal child support incentive payments awarded to the
 7 state for a federal fiscal year is less than \$12,340,000, the total of payments
 8 distributed to counties under par. (b) and sub. (1) for that federal fiscal year may not
 9 exceed \$12,340,000."

10 5. Page 588, line 18: delete "(a) or".

11 6. Page 588, line 19: delete "(c)".

12 7. Page 1138, line 23: after that line insert:

13 (13) ^C~~(4m)~~ APPROPRIATION FOR CHILD SUPPORT ORDER RECONCILIATION. The repeal of
 14 section 20.445 (3) (bm) of the statutes takes effect on June 30, 2005."

15 (END)

#. Page 1125, line 12: delete lines 12 to 16.

change requested by Rob Reinhardt -

permit, rather than require, DWD to

retain up to those %'s -

consequently, counties would have to be

given at least ~~the~~ rather than exactly

the %'s specified



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0178/2
PJK:jld:pg

v misner

LFB:.....Reinhardt - Child support incentive payments and order reconciliations

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

*COON
(= 5-16)*

1 At the locations indicated, amend the bill as follows:
2 **1.** Page 382, line 14: after that line insert:
3 **"SECTION 503r.** 20.445 (3) (bm) of the statutes is created to read:
4 20.445 (3) (bm) *Child support order reconciliation assistance.* As a continuing
5 appropriation, the amounts in the schedule for distribution to county child support
6 agencies for arrearages reconciliation of percentage-expressed child support orders.
7 Amounts distributed to a county under this paragraph may be used only for the
8 purpose of completing the child support order reconciliation process by September
9 30, 2004, and may not be used to supplant current local child support enforcement
10 expenditures by the county.

1 **SECTION 503s.** 20.445 (3) (bm) of the statutes, as created by 2003 Wisconsin Act
2 (this act), is repealed.”.

3 **2.** Page 387, line 15: delete lines 15 and 16 and substitute “All federal child
4 support incentive payments retained under s. 49.24 (2) (c), and all moneys”.

5 **3.** Page 388, line 6: delete lines 6 and 7 and substitute “programs, except for
6 federal child support incentive payments retained by the department under s. 49.24
7 (2) (c).”.

8 **4.** Page 588, line 4: delete lines 4 to 15 and substitute:

9 “**SECTION 1296c.** 49.24 (2) (b) of the statutes is repealed and recreated to read:

10 49.24 (2) (b) Subject to the incentive payments limit specified in par. (a), the
11 department shall distribute to counties, in accordance with the formula established
12 under par. (a), all of the following:

13 1. Of the amount of federal child support incentive payments awarded to the
14 state for federal fiscal year 2002, the amount awarded if that amount is less than
15 \$12,340,000, or \$12,340,000 ^{✓ at least} plus [↑]50% of the amount awarded that exceeds
16 \$12,340,000.

17 2. Of the amount of federal child support incentive payments awarded to the
18 state for each federal fiscal year after federal fiscal year 2002, the amount awarded
19 if that amount is less than \$12,340,000, or \$12,340,000 [✓] plus ^{→ at least}30% of the amount
20 awarded that exceeds \$12,340,000.

21 3. All federal matching funds associated with the amounts distributed under
22 subds. 1. and 2.

23 **SECTION 1296e.** 49.24 (2) (c) of the statutes is created to read:

1

49.24 (2) (c) The department ~~shall~~ retain 50% of the amount of federal child support incentive payments awarded to the state for federal fiscal year 2002 that

may up to ✓

3

exceeds \$12,340,000, and ~~shall~~ retain 70% of the amount of federal child support incentive payments awarded to the state for each federal fiscal year after federal

may up to ✓

4

5

6

7

fiscal year 2002 that exceeds \$12,340,000, to be used to pay the costs of the department's activities under ss. 49.22 and 49.227 and costs related to receiving and disbursing support and support-related payments.

8

SECTION 1296g. 49.24 (2) (d) of the statutes is created to read:

9

10

11

12

49.24 (2) (d) If the amount of federal child support incentive payments awarded to the state for a federal fiscal year is less than \$12,340,000, the total of payments distributed to counties under par. (b) and sub. (1) for that federal fiscal year may not exceed \$12,340,000.”.

13

5. Page 588, line 18: delete “(a) or”.

14

6. Page 588, line 19: delete “(c)”.

15

7. Page 1125, line 12: delete lines 12 to 16.

16

8. Page 1138, line 23: after that line insert:

17

“(4c) APPROPRIATION FOR CHILD SUPPORT ORDER RECONCILIATION. The repeal of section 20.445 (3) (bm) of the statutes takes effect on June 30, 2005.”.

19

(END)

Kahler, Pam

From: Reinhardt, Rob
Sent: Thursday, May 22, 2003 9:22 AM
To: Kahler, Pam
Cc: Fath, Erin
Subject: FW: LRB Drafts: 03b0178/1 and 03b0178/2 Child support incentive payments and order reconciliation's

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Pam,

This is DWD's response to the child support incentive drafts. I think I'm okay with their idea to take out the phrases "at least" and "up to" regarding the county and state shares, respectively.

Would you please look over their other points and see if they make sense? I think most or all of them relate to the original draft in SB 44, and not specifically to the JFC modifications.

Please give me a call after you've had a chance to go through this. Thanks a lot.

Rob

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

From: Smith, Thomas K - DWD BUDGET
Sent: Thursday, May 22, 2003 8:59 AM
To: Reinhardt, Rob
Cc: Richard, JoAnna - DWD; Fath, Erin
Subject: FW: LRB Drafts: 03b0178/1 and 03b0178/2 Child support incentive payments and order reconciliation's
Importance: High

Rob:

Attached is a response on the LRB drafts for language implementing the child support provisions adopted by JFC. Of the two drafts, we would prefer the first version (03b0178/1) -- the "at least" language in the 2nd draft to address a \$6,000 difference, especially in light of the fact we don't even have award notices as yet, seems an excessive stat change when the counties could view it as a "floor" or starting point for negotiations.

Thanks!

Tom

Thomas K. Smith

Director, Bureau of Budget & Planning
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707
Telephone: (608) 266-7895
FAX: (608) 267-7952
E-Mail: smitht@dwd.state.wi.us

Our preference would be the first version of the draft, with respect to the issue of whether the language should specify

DWD will distribute to counties "at least" 50% of any FFY 02 earnings above \$12,340,000 and "at least" 30% of any earnings above that threshold received for subsequent FFYs.

1 versus 2

To us, the first draft is equally consistent with the motion that passed because the note attached to the motion clearly described an "estimated \$3,400,000 in additional federal incentive payments," and "additional estimated funding" that counties would receive. We think this is an important point because, remember, final award notices have not yet been received for any of the years in question, including FFY 02 (that will come this fall). One could argue that the percentages stated in the motion were equally important, and from the State's perspective, it is not advantageous to address a \$6,000 difference in the estimated fiscal effect by making a permanent change in the statutory language that leaves the door open for counties to argue their share is a "floor" for negotiations.

Remember that funding under s.49.24 is traditionally contracted with counties on a calendar-year basis; as you noted in your issue paper, we have not yet made a determination about how much of the excess FFY amounts would be added to CY 2004 and CY 2005, so the \$6,000 difference in the second fiscal year is not likely to be particularly noticeable in the CY context. It is possible the counties will receive it or a greater amount or more in SFY 05, depending on how the award notices for FFY 02 and FFY 03 come in, even under the language in the first version of the draft. We prefer it, though, because it establishes a more certain basis for what the counties are entitled to, while leaving us some flexibility regarding how conservative or aggressive to be in planning calendar-year commitments. For this reason, we do like the fact that the split is tied to FFY awards rather than to SFY distributions, as the language in the motion could have been read to suggest. That would be quite difficult to implement given the need to close out the CY 2003 contract as well as implement the new provisions.

Other comments

The language for the new appropriation looks good. Section 503s, part 2. improves upon the appropriation language in SB 44 by using a cross-reference to a program statute to specify the percentage split, rather than attempting to specify it in the appropriation language. There is a small ambiguity in the fact that the appropriation goes on to describe "all moneys received from the federal government for activities related to child support," (which describes incentive funds as well) and relies on the title and the "for" clause to indicate those that are budgeted for state-level activities. This ambiguity could be removed (consistent with the motion's intent to clarify the distribution of these revenues between the state and counties) by describing the revenues along lines such as, "All federal child support incentive payments retained under s.49.24 (2) (c), and all other moneys received from the federal government for state administration of activities related to child support and for such activities conducted by the state, including...[balance same as drafted]"

Rob ? Last, Section 503s, part 3. modifies the appropriation for the incentive funds paid to counties, s.20.445 (3) (nL). We had previously recommended that a technical clarification not included in SB 44 be made to remove the reference to lapsing 55% of this appropriation to the general fund on a calendar-year basis and you had indicated that would be included if the committee adopted an alternative premised on clarifying the disposition of these funds. Neither of these drafts includes that modification. We continue to feel it is obsolete language and would be in the spirit of the motion to remove.

? Similar to the treatment of s.20.445 (3) (n), the department's proposal to retitle s.20.445 (3) (nL) was included, but the actual language is broader than child support, which could be a source of ambiguity. Clearer language would read: "All moneys received from the federal government for the activities of local child-support agencies, except federal child-support incentive payments retained by the department under s.49.24 (2) (c), to be expended for such purposes."

Thanks again for your attention to these issues.

different issues - cleanup of appro language

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

From: Reinhardt, Rob
Sent: Monday, May 19, 2003 9:32 AM
To: Smith, Thomas K - DWD BUDGET; Richard, JoAnna - DWD; Fath, Erin
Subject: FW: LRB Draft: 03b0178/2 Child support incentive payments and order reconciliation's

Good Morning,

This is a revised version of the child support incentive draft I emailed to you last week. It is changed slightly to make it conform better to the motion and what I believe to be the Committee's intent.

When I drafted the motion, the intent was to change the split of excess federal incentive payments beginning in the second state fiscal year of the next biennium and to have the estimated fiscal effects identified in the motion occur. However, because we (DOA, DWD and LFB) talked at length about how the initial applicability language should be

worded, I wanted to have this drafted using the approach DWD and DOA requested in the errata correspondence, which is based on incentives awarded to the state for a particular FFY. That approach gets very close to the motion estimates if we make the 70-30 split take effect for amounts awarded to the state for FFY 2003, which is what the draft does. However, because the bill didn't tie the county and state funding amounts directly to the estimated FFY awards, this approach results in amounts that are slightly different than the amounts in the motion. Specifically, counties would get \$6,000 less in the second year than what the motion says (\$676,000 in extra incentives instead of \$682,000) and BCS would get \$6,000 more (\$2,724,000 rather than \$2,718,000). In order to remedy this and not make this overly complicated, I asked Pam to change the county share to say "at least 50%" and "at least 30%" and the state share to be "up to 50%" and "up to 70%." That way, DWD can give the counties their \$6,000 in 2004-05, if the counties choose to make an issue of this. I talked this over with Erin on Friday and I think she's ok with it (I don't mean to put words in your mouth Erin, so let me know if you disagree).

Please look it over and let me know if you think it's ok.

Thanks.

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

From: Frantzen, Jean
Sent: Monday, May 19, 2003 9:14 AM
To: Reinhardt, Rob
Cc: Hanaman, Cathlene; Haugen, Caroline; Holten, Vicki
Subject: LRB Draft: 03b0178/2 Child support incentive payments and order reconciliations

Following is the PDF version of draft 03b0178/2.



03b0178/2

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

From: Reinhardt, Rob
Sent: Friday, May 16, 2003 1:32 PM
To: Smith, Thomas K - DWD BUDGET; Fath, Erin; Richard, JoAnna - DWD
Subject: FW: LRB Draft: 03b0178/1 Child support incentive payments and order reconciliations

Please disregard my earlier email. Somehow I hit the send button before I was ready.

Again, this is the draft on the JFC changes regarding federal child support incentives and the PEO reconciliation process. Please look it over and let me know if you think there are any problems. Regarding the effective date for increasing the state share of "excess" incentives from 50% to 70%, we used "incentive payments awarded to the state for FFY 2003." I think this will get us a larger share of the excess incentives you estimated for FFY 2004 and 2005 (\$760,000 and \$960,000, respectively). The intent of the JFC motion was to have the state take a bigger share of the amount appropriated to counties in 2004-05 under the bill (\$845,000) plus a bigger share of the additional \$3.4 million. I think the way this is drafted we're probably off by about \$15,000 compared to the motion, but I figured these are estimates anyway, and drafting it this way was cleaner.

Please get back to me and let me know if you think the draft is okay or if it needs changes.

Thanks.

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

From: Greenslet, Patty
Sent: Friday, May 16, 2003 12:56 PM
To: Reinhardt, Rob
Cc: Hanaman, Cathlene; Haugen, Caroline; Holten, Vicki
Subject: LRB Draft: 03b0178/1 Child support incentive payments and order reconciliations

Following is the PDF version of draft 03b0178/1.



03b0178/1

phone call w/ Rob R:

take out "up to" and "at least"
where inserted by "1/2"

add "other" before money received
in s. 20.445(3)(u)

(the remainder of DWD comments were not
addressed by JCF so should not
be part of amendment)

Kahler, Pam

From: Reinhardt, Rob
Sent: Thursday, May 22, 2003 10:13 AM
To: Smith, Thomas K - DWD BUDGET; Kahler, Pam
Cc: Richard, JoAnna - DWD; Fath, Erin
Subject: RE: LRB Drafts: 03b0178/1 and 03b0178/2 Child support incentive payments and order reconciliation's

I talked with Pam.

We're planning to delete the "at least" and "up to" language from the current draft, as you requested. We'll also add the word "other" on page 2, line 4, before the word "moneys."

I really don't remember discussing cleaning up the 55% lapse language, and I don't think this was included in any of the errata correspondence we received from DOA. If I did promise to fix it and dropped the ball, I apologize, but Pam and I didn't feel the JFC motion provided authority to make that change or the other phrasing changes you suggested. I think we'll still have a very workable law though.

Thanks.

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

From: Smith, Thomas K - DWD BUDGET
Sent: Thursday, May 22, 2003 8:59 AM
To: Reinhardt, Rob
Cc: Richard, JoAnna - DWD; Fath, Erin
Subject: FW: LRB Drafts: 03b0178/1 and 03b0178/2 Child support incentive payments and order reconciliation's
Importance: High

Rob:

Attached is a response on the LRB drafts for language implementing the child support provisions adopted by JFC. Of the two drafts, we would prefer the first version (03b0178/1) -- the "at least" language in the 2nd draft to address a \$6,000 difference, especially in light of the fact we don't even have award notices as yet, seems an excessive stat change when the counties could view it as a "floor" or starting point for negotiations.

Thanks!

Tom

Thomas K. Smith

Director, Bureau of Budget & Planning
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707
Telephone: (608) 266-7895
FAX: (608) 267-7952
E-Mail: smitht@dwd.state.wi.us

Our preference would be the first version of the draft, with respect to the issue of whether the language should specify DWD will distribute to counties "at least" 50% of any FFY 02 earnings above \$12,340,000 and "at least" 30% of any earnings above that threshold received for subsequent FFYs.

/1 versus /2

To us, the first draft is equally consistent with the motion that passed because the note attached to the motion clearly described an "estimated \$3,400,000 in additional federal incentive payments," and "additional estimated funding" that counties would receive. We think this is an important point because, remember, final award notices



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0178/3
PJK:jld:jf
r m i s s i o n

LFB:.....Reinhardt – Child support incentive payments and order reconciliations

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

SOON
(in 5-22)
D-note

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

2 1. Page 382, line 14: after that line insert:

3 "SECTION 503r. 20.445 (3) (bm) of the statutes is created to read:

4 20.445 (3) (bm) *Child support order reconciliation assistance.* As a continuing

5 appropriation, the amounts in the schedule for distribution to county child support

6 agencies for arrearages reconciliation of percentage-expressed child support orders.

7 Amounts distributed to a county under this paragraph may be used only for the

8 purpose of completing the child support order reconciliation process by September

9 30, 2004, and may not be used to supplant current local child support enforcement

10 expenditures by the county.

1 **SECTION 503s.** 20.445 (3) (bm) of the statutes, as created by 2003 Wisconsin Act
2 (this act), is repealed.”.

3 **2.** Page 387, line 15: delete lines 15 and 16 and substitute “All federal child
4 support incentive payments retained under s. 49.24 (2) (c), and all moneys”.

✓
others

5 **3.** Page 388, line 6: delete lines 6 and 7 and substitute “programs, except for
6 federal child support incentive payments retained by the department under s. 49.24
7 (2) (c),”.

8 **4.** Page 588, line 4: delete lines 4 to 15 and substitute:

9 “**SECTION 1296c.** 49.24 (2) (b) of the statutes is repealed and recreated to read:

10 49.24 (2) (b) Subject to the incentive payments limit specified in par. (a), the
11 department shall distribute to counties, in accordance with the formula established
12 under par. (a), all of the following:

13 1. Of the amount of federal child support incentive payments awarded to the
14 state for federal fiscal year 2002, the amount awarded if that amount is less than
15 \$12,340,000, or \$12,340,000[✓] plus at least 50% of the amount awarded that exceeds
16 \$12,340,000.

17 2. Of the amount of federal child support incentive payments awarded to the
18 state for each federal fiscal year after federal fiscal year 2002, the amount awarded
19 if that amount is less than \$12,340,000, or \$12,340,000[✓] plus at least 30% of the
20 amount awarded that exceeds \$12,340,000.

21 3. All federal matching funds associated with the amounts distributed under
22 subds. 1. and 2.

23 **SECTION 1296e.** 49.24 (2) (c) of the statutes is created to read:

1 49.24 (2) (c) The department may retain ~~up to~~ 50% of the amount of federal
2 child support incentive payments awarded to the state for federal fiscal year 2002
3 that exceeds \$12,340,000, and may retain ~~up to~~ 70% of the amount of federal child
4 support incentive payments awarded to the state for each federal fiscal year after
5 federal fiscal year 2002 that exceeds \$12,340,000, to be used to pay the costs of the
6 department's activities under ss. 49.22 and 49.227 and costs related to receiving and
7 disbursing support and support-related payments.

8 **SECTION 1296g.** 49.24 (2) (d) of the statutes is created to read:

9 49.24 (2) (d) If the amount of federal child support incentive payments awarded
10 to the state for a federal fiscal year is less than \$12,340,000, the total of payments
11 distributed to counties under par. (b) and sub. (1) for that federal fiscal year may not
12 exceed \$12,340,000.”.

13 **5.** Page 588, line 18: delete “(a) or”.

14 **6.** Page 588, line 19: delete “(c)”.

15 **7.** Page 1125, line 12: delete lines 12 to 16.

16 **8.** Page 1138, line 23: after that line insert:

17 “(4c) APPROPRIATION FOR CHILD SUPPORT ORDER RECONCILIATION. The repeal of
18 section 20.445 (3) (bm) of the statutes takes effect on June 30, 2005.”.

19 (END)

D-note

D-note

Rob:

This redraft removes the "up to"
and "at least" language and
, as a technical correction,
adds "other" in ^{front} of "moneys
received" in s. 20.445(3)(n).

~~technical correction of the remainder
of DHA's comments re changes to
the ~~appropriations~~ ~~test~~
of the appropriations were not addressed
by the committee~~

DJK

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

LRBb0178/3dn
PJK:jld:rs

May 22, 2003

Rob:

This redraft removes the "up to" and "at least" language and adds, as a technical correction, "other" in front of "moneys received" in s. 20.445 (3) (n).

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



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0178/3
PJK:jld:rs

LFB:.....Reinhardt – Child support incentive payments and order reconciliations

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

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

2 **1.** Page 382, line 14: after that line insert:

3 **“SECTION 503r.** 20.445 (3) (bm) of the statutes is created to read:

4 20.445 (3) (bm) *Child support order reconciliation assistance.* As a continuing
5 appropriation, the amounts in the schedule for distribution to county child support
6 agencies for arrearages reconciliation of percentage-expressed child support orders.
7 Amounts distributed to a county under this paragraph may be used only for the
8 purpose of completing the child support order reconciliation process by September
9 30, 2004, and may not be used to supplant current local child support enforcement
10 expenditures by the county.

1 **SECTION 503s.** 20.445 (3) (bm) of the statutes, as created by 2003 Wisconsin Act
2 (this act), is repealed.”.

3 **2.** Page 387, line 15: delete lines 15 and 16 and substitute “All federal child
4 support incentive payments retained under s. 49.24 (2) (c), and all other moneys”.

5 **3.** Page 388, line 6: delete lines 6 and 7 and substitute “programs, except for
6 federal child support incentive payments retained by the department under s. 49.24
7 (2) (c)”.

8 **4.** Page 588, line 4: delete lines 4 to 15 and substitute:

9 “**SECTION 1296c.** 49.24 (2) (b) of the statutes is repealed and recreated to read:

10 49.24 (2) (b) Subject to the incentive payments limit specified in par. (a), the
11 department shall distribute to counties, in accordance with the formula established
12 under par. (a), all of the following:

13 1. Of the amount of federal child support incentive payments awarded to the
14 state for federal fiscal year 2002, the amount awarded if that amount is less than
15 \$12,340,000, or \$12,340,000 plus 50% of the amount awarded that exceeds
16 \$12,340,000.

17 2. Of the amount of federal child support incentive payments awarded to the
18 state for each federal fiscal year after federal fiscal year 2002, the amount awarded
19 if that amount is less than \$12,340,000, or \$12,340,000 plus 30% of the amount
20 awarded that exceeds \$12,340,000.

21 3. All federal matching funds associated with the amounts distributed under
22 subds. 1. and 2.

23 **SECTION 1296e.** 49.24 (2) (c) of the statutes is created to read:

