

2007 DRAFTING REQUEST

Bill

Received: **01/16/2007**

Received By: **pkahler**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Harshner**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

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

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Harshner, BB0353 -

Topic:

Child support incentive payments

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 01/16/2007	kfollett 01/17/2007		_____			S&L
/1			rschluet 01/17/2007	_____	sbasford 01/17/2007		S&L
/2	pkahler 01/23/2007	kfollett 01/24/2007	jfrantze 01/24/2007	_____	mbarman 01/24/2007		S&L
/3	pkahler 01/24/2007	kfollett 01/25/2007	pgreensl 01/25/2007	_____	cduerst 01/25/2007		

FE Sent For:

<END>

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/2	pkahler 01/23/2007	kfollett 01/24/2007	jfrantze 01/24/2007	_____	mbarman 01/24/2007		

FE Sent For:

1/3 kcf
1/25

pkahler
pkahler

pkahler
<END>

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/1		12kf 1/24	rschluet 01/17/2007	_____	sbasford 01/17/2007		

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Handwritten signatures and dates:
1/24
1/24
END

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/?	pkahler	1/16/07 1/17					

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: GPR for County Child Support Programs
- Tracking Code: BB0353
- SBO team: Education
- SBO analyst: Sam Harshner
 - Phone: 266-8219
 - Email: Samuel.Harshner@wisconsin.gov
- Agency acronym: DWD
- Agency number: 445
- Priority (Low, Medium, High): High

Notes:

To fill a hole left by decreasing federal investment in Child Support, the state will be contributing GPR to county child support programs. Starting in calendar year 2008, the counties will receive \$5.5 M per year. There is currently no mechanism for counties to receive this funding.

DWD's suggested legislative language is included. There may be a better way to do this, so let me know if you think this works.

County Child Support Funding

In the appropriation at s. 20.445 (3) (k), delete the phrase, "to be distributed as child support incentive payments as provided in s. 49.24," effective 1/1/08 or (7/1/08/SFY 09). The later effective date assumes it could be desirable to retain the provision for supplementing incentives 1 more federal earnings year (SFY 08) and appropriation changes are typically done on a SFY basis.

Create a new appropriation in the GPR series, such as (bm) for Child Support Local Assistance, state funds. If the intent is that counties be allowed to fully expend the funds, it may be useful to use a continuing appropriation and/or a modified annual that provides for unencumbered funds carried across SFYs not lapsing until the end of the CY, similar to s.20.445 (3) (dz).

Amend s.49.24 (1) as follows:

S.49.24 Child Support incentive payments. (1) Effective for calendar year 2008 and thereafter, from ~~From~~ the appropriation under s.20.445 (3) (~~km~~) (bm), the department shall provide child support incentive payments to counties. Total payments under this subsection may not exceed ~~\$5,690,000~~ \$5,500,000 per year.

Repeal s.49.24 (2) (d).

Effect: Repeals current law provision that funds in appropriation 366 are diverted from TANF-budget (MOE) to make up for (up to \$5.69 million) any shortfalls in county share of incentive earnings. Instead, substitutes a sum-certain GPR aid amount (assumed here to come from newly re-created s.20.445 (3) (bm). This appropriation has previously been used for closely related GPR aids to county child support purposes. (Similarly, numeric 307 is suggested and will be available for reuse for SFY 08).

This drafting approach retains current law provisions with respect to a division of federal incentive earnings above \$12,340,000 per year between the counties and state.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1523/1dn
PJK:kjf:rs

January 17, 2007

Let me know if you would prefer s. 20.445 (3) (b) to be an annual appropriation that lapses to the general fund if not carried across fiscal years.

Do you want to get rid of any of the references in s. 49.24 to federal child support incentive payments awarded in federal fiscal year 2002?

I didn't quite understand the drafting instructions, so I followed the suggestions for how to amend s. 49.24. I'm not sure if those amendments accomplish what you intended.

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

Kahler, Pam

From: Harshner, Samuel - DOA
Sent: Monday, January 22, 2007 12:33 PM
To: Kahler, Pam
Subject: LRB-07-0489 Child Support Appropriation

Pam,

I was wondering if we should just go with a simpler approach on this one. I must confess that the approach DWD took seemed needlessly complicated.

I would suggest just setting up an annual appropriation 20.445(3)(b) to allocate GPR for the purposes of funding county administration of the Child Support Enforcement program. Would that be easier?

I must confess, that the approach DWD took seemed needlessly complicated.

Also we would need to transfer this appropriation immediately to the new Department of Children and Families so it may make more sense just to create it there in the first place.

Drop me a line if you have any questions. I'm still trying to get DWD's opinion on this, but in lieu of any comments, I think going the direct route would be best.

Sam



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1523/12

PJK:kjf:rs

missouri

DOA:.....Harshner, BB0353- - Child support incentive payments

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

*(a 1-23)
D-note*

do not get cut

as an additional source of funding

1 AN ACT **relating to:** the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

CHILDREN

Under current law, as an incentive and reward for child support collection efforts, counties receive a portion of federal child support incentive payments awarded to the state and additional state child support incentive payments, limited to \$5,690,000 per year, from the support collections trust fund, which consists of moneys from various sources, including child support assigned to the state by payees of child support who receive certain benefits from the state. This bill eliminates the payment of child support incentive payments to counties from the support collections trust fund, creates a general purpose revenue appropriation for providing the state child support incentive payments, and limits the state child support incentive payments to \$5,500,000 per year.

Current law also provides that if federal child support incentive payments awarded to the state for a federal fiscal year are less than \$12,340,000, the total federal and state child support incentive payments to counties may not exceed \$12,340,000. The bill removes that limit on total federal and state child support incentive 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) (b) of the statutes is created to read:

2 20.445 (3) (b) *Child support local assistance.* As a continuing appropriation,

3 the amounts in the schedule to be distributed as child support incentive payments

4 under s. 49.24 (1).

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

5 SECTION 2. 20.445 (3) (k) of the statutes is amended to read:

6 20.445 (3) (k) *Child support transfers.* All moneys transferred from the
7 appropriation account under par. (r), to be expended under the Wisconsin Works
8 program under subch. III of ch. 49 and under the work experience program for
9 noncustodial parents under s. 49.36, to be distributed as child support incentive
10 payments as provided in s. 49.24, for costs associated with receiving and disbursing
11 support and support-related payments, including any contract costs, for
12 administering the program under s. 49.22 and all other purposes specified in s. 49.22,
13 and for the support of dependent children in accordance with applicable federal and
14 state statutes, federal regulations, and state rules.

15 SECTION 3. 49.24 (1) of the statutes is amended to read:

16 49.24 (1) ~~From Beginning in 2008, from the~~ appropriation under s. 20.445 (3)
17 (k) (b), the department shall provide child support incentive payments to counties.
18 Total payments under this subsection may not exceed \$5,690,000 \$5,500,000 per
19 year.

20 SECTION 4. 49.24 (2) (d) of the statutes is repealed.

Insert 2-20 →

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1523/2ins
PJK:kjfrs

INSERT 2-20

1 **SECTION 1.** 49.24 (1) of the statutes is amended to read:
2 49.24 (1) From the ~~appropriation~~ appropriations under s. ~~20.445 (3)~~ 20.437 (2)
3 (b) and (k), the department shall provide child support incentive payments to
4 counties. Total payments under this subsection may not exceed \$5,690,000
5 \$5,500,000 per year.

History: 1997 a. 27; 1999 a. 9; 2003 a. 33.

(END OF INSERT 2-20)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1523/2dn
PJK:kjfrs

Sam:

I assumed you still wanted to change the amount in s. 49.24 (1) to \$5,500,000.

Because of the delayed effective date, as you suggested I changed the new appropriation to s. 20.437 (2) (b). If, for some reason, the draft creating the Department of Children and Families does not go into the budget and this one does, I will change the appropriations in this draft back to s. 20.445.

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



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1523/

PJK: [signature]

DOA:.....Harshner, BB0353-- - Child support incentive payments

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

(in 1-16)
D-note

do not gen cot

Certain

1 AN ACT, relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

CHILDREN

Under current law, as an incentive and reward for child support collection efforts, counties receive a portion of federal child support incentive payments awarded to the state and additional state child support incentive payments, limited to \$5,690,000 per year, from the support collections trust fund, which consists of moneys from various sources, including child support assigned to the state by payees of the child support who receive benefits from the state. This bill eliminates the payment of child support incentive payments to counties from the support collections trust fund, creates a general purpose revenue appropriation for providing the state child support incentive payments, and limits the state child support incentive payments to \$5,500,000 per year.

Current law also provides that if federal child support incentive payments awarded to the state for a federal fiscal year are less than \$12,340,000, the total federal and state child support incentive payments to counties may not exceed \$12,340,000. The bill removes that limit on total federal and state child support incentive 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) (b) of the statutes is created to read:
 2 20.445 (3) (b) *Child support local assistance*. As a continuing appropriation,
 3 the amounts in the schedule to be distributed as child support incentive payments
 4 under s. 49.24. ⁽¹⁾

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

5 SECTION 2. 20.445 (3) (k) of the statutes is amended to read:
 6 20.445 (3) (k) *Child support transfers*. All moneys transferred from the
 7 appropriation account under par. (r), to be expended under the Wisconsin Works
 8 program under subch. III of ch. 49 and under the work experience program for
 9 noncustodial parents under s. 49.36, ~~to be distributed as child support incentive~~
 10 ~~payments as provided in s. 49.24~~, for costs associated with receiving and disbursing
 11 support and support-related payments, including any contract costs, for
 12 administering the program under s. 49.22 and all other purposes specified in s. 49.22,
 13 and for the support of dependent children in accordance with applicable federal and
 14 state statutes, federal regulations, and state rules.

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, 2003 a. 33, 197; 2005 a. 25, 86, 172; 2005 a. 443 s. 265.

15 SECTION 3. 49.24 (1) of the statutes is amended to read:
 16 49.24 (1) From Beginning in 2008, from the appropriation under s. 20.445 (3)
 17 ~~(k)~~ (b), the department shall provide child support incentive payments to counties.

1 Total payments under this subsection may not exceed \$5,690,000 [✓] ~~\$5,690,000~~ [✓] \$5,500,000 per
2 year.

3 History: 1997 a. 27; 1999 a. 9; 2003 a. 33.

3 **SECTION 4.** 49.24 (2) (d) of the statutes is repealed. [✓]

4 **SECTION 9454. Effective dates; Workforce Development.**

5 (1) CHILD SUPPORT INCENTIVE PAYMENTS. The treatment of sections 20.445 (3) (b) [✓]
6 and (k) [✓] and 49.24 (1) [✓] and (2) (d) [✓] of the statutes takes effect on July 1, 2008. [✓]

7 (END)

Done

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

LRB-1523/dn
PJK:...

gf

Date

Let me know if you would prefer s. 20.445 (3) (b) to be an annual appropriation that lapses to the general fund if not carried across fiscal years.

Do you want to get rid of any of the references in s. 49.24 to federal child support incentive payments awarded in federal fiscal year 2002?

I didn't quite understand the drafting instructions, so I followed the suggestions for how to amend s. 49.24. I'm not sure if those amendments accomplish what you intended.

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

Kahler, Pam

From: Harshner, Samuel - DOA
Sent: Tuesday, January 23, 2007 11:55 AM
To: Kahler, Pam
Subject: FW: FW: LRB Draft: 07-1523/1 Child support incentive payments

Importance: High

Attachments: 07-15231.pdf; 07-15231dn.pdf

Pam,

I would go back to the original draft you did on this and take the DWD suggestions below. This will ensure that the state is responsible only for the County share of incentive payments and the defined GPR contribution. Sorry about the confusion. I was a little unclear on the current law as well. Below is the email from DWD giving the background on the statute.

Suggested revision:

49.24 (1) From the appropriation under s.20.445 (3) ~~(k)-(b)~~, the department shall provide child support incentive payments to counties. ~~Total payments-~~ Beginning in 2008, amounts allocated by the department under this subsection may not exceed \$5,690,000 \$5,500,000 per year plus any unobligated prior-year amounts.

The above will avoid any uncertainties about the relationship between funding in the sum-certain continuing GPR appropriation and an annual "payment limit." It would also imply a technical revision in (2) (b):

49.24 (2) (b) Subject to ~~the incentive payments limit specified in par. (a)....~~

The above is also helpful by clarifying the GPR funding is intended to be fully allocated, and if earned under the provisions of the formula for the year, paid. Other references to "payments" in current law are workable (referring, for example to the amount that an individual county may actually receive under its incentive contract.)

Call me if you have any questions.

Sam

From: Smith, Thomas K - DWD BUDGET [mailto:Thomas.Smith@dwd.state.wi.us]
Sent: Tuesday, January 23, 2007 11:19 AM
To: Harshner, Samuel - DOA
Subject: RE: FW: LRB Draft: 07-1523/1 Child support incentive payments
Importance: High

Sam:

Marcie and Mark have reviewed and discussed this. With the exception of some issues of correspondence between the appropriation type, funding limits, and effective dates, this is very close to what we requested but we want to clarify some points given the LRB analysis and drafter's notes.

Background/Repeal of s. 20.445 (2)(d)

Under current law, counties receive a share of federal incentive funds specified under (2) (b).* The county share of the states' earnings is specified on a federal-fiscal-year basis. Under s.20.445 (2) (d), if the total award to the state for a given fiscal year is less than \$12,340,000, then the state provides supplemental payments from the appropriation at s. 20.445 (3) (k). The latter appropriation is funded by the state's share of certain assigned support collections. Since the state's incentive earnings have been above \$12,340,000 in recent biennia and are anticipated to be through FFY 06, of which the state will be notified in SFY 08, the assigned support is budgeted primarily for expenditure as part of the state's TANF program (maintenance-of-effort funds). By the second fiscal year of the upcoming biennium, it is possible that incentive earnings could fall below the \$12,340,000 threshold. As a result, substituting GPR for the county child support funding creates greater certainty about the funding level for both county child-support purposes and the TANF-related purposes for which the collections revenues are budgeted.

The LRB analysis seems to assume that counties currently receive some portion of the \$5,690,000 and that this is eliminated. The intent of (2) (d) under current law and the legislative history when it was established was for that funding to be used only as a supplement to the federal incentive funds, in the event they were less than \$12,340,000. In other words, available federal funds are used first. As a result, counties have not actually received any funding under s. 49.24 (1) in recent biennia, and are not projected to under the administrations' incentive earnings estimates, though by SFY 09 the projected earnings are close to this amount. It is more accurate to think of the proposal as eliminating the possibility for counties to receive "contingent" funding, but substituting instead a specified amount of GPR funding.

The limit at s.20.445 (2) (d) on the combination of federal incentive earnings and state funding from s. 20.445 (3) (k) is therefore repealed for two related reasons: 1. Counties could receive around \$12,340,000 in federal incentive funds, and 2. The Governor's intent is that they receive the \$5,500,000 in GPR as well, NOT contingent on the amount of federal incentive funds received. So, for example total funding for a year could be around \$17,840,000, plus federal matching funds on the GPR (availability of match on the incentive funds is ending). The provision at (2) (d) is repealed both because the current-law limit on state funds would not make sense given this intent, and also because the \$5.5 million is no longer intended to be only contingent on the federal funding level.

Appropriation type, funding limits, and time periods.

In answer to Pam's first drafter's note, a continuing appropriation is appropriate if DOA and the Governor's intent (as seems to be the case) is that counties will (at least collectively) receive the full \$5,500,000 per year (limitations on individual counties may still apply). Assuming that, no lapses should be expected.

This does, however, suggest a need for clarification of the current-law provision at s.49.24 (1) that "Total payments under this subsection may not exceed \$5,500,000 per year." This previously was part of the dual limitation described above: That the state funding was only to be used to the extent need to make up for federal funding less than \$12,340,000, up to a limit on state funds necessary because the overall appropriation funding it was larger. With the new appropriation, it is hypothetically possible for unexpended prior-year "carryover" funding to be available in the continuing appropriation in some years, and this language could create uncertainties as to whether it could be paid. However, DWD wanted to a statutory indication of the calendar-year amount for contracts rather than letting the appropriated amount determine it, due to the mix of fiscal years under s.49.24: DWD contracts funding under s.49.24 on a calendar-year basis, but these funds will be appropriated by state fiscal year and distributed in conjunction with current-law provisions for counties' share of federal funding for a federal fiscal year. If there is a desire not to introduce the concept of contracts into this statute, an alternative word sometimes used would be "allocate"; this could help clarify that the sentence beginning "Total payments..." in subsec. 1 is now intended to describe the annual funding level rather than imply that the funding actually distributed or paid could be less.

Suggested revision:

49.24 (1) From the appropriation under s.20.445 (3) ~~(k)-(b)~~, the department shall provide child support incentive payments to counties. ~~Total payments-~~ Beginning in 2008, amounts allocated by the department under this subsection may not exceed \$5,690,000 \$5,500,000 per year plus any unobligated prior-year amounts.

The above will avoid any uncertainties about the relationship between funding in the sum-certain continuing GPR appropriation and an annual "payment limit." It would also imply a technical revision in (2) (b):

49.24 (2) (b) Subject to the ~~incentive payments limit specified in par. (a)~~....

The above is also helpful by clarifying the GPR funding is intended to be fully allocated, and if earned under the provisions of the formular for the year, paid. Other references to "payments" in current law are workable (referring, for example to the amount that an individual county may actually receive under its incentive contract.

Reference to incentive payments for FFY 02

While this provision is obviously past, retaining it may provide some clarity in transitioning from current law to a new system in which counties receive both a share of incentive funds and an annual GPR funding allocation. An option would be to provide for repealing the provision at the end of the upcoming biennium (e.g., July 1, 2009).

Other effective dates

Section 9454. Effective dates; Workforce Development. The July 1, 2008 implementation date does not work for all of the provisions. The new dates are as follows:

1. Establishing the new appropriation 20.445 (3) (b), effective date can be when the bill passes (50% of the funding

for the first calendar year is going to be appropriated in the schedule for 2007-08);

2. New funding level and other revisions in 49.24 (1) and (2)(b), effective date can be when the bill passes if it is clear that calendar-year 2008 is intended. Otherwise, provide an effective date of 1/1/08 to coincide with the CY2008 county contracts;
3. Repealing 49.24 (2) (d) and amending appropriation 20.445 (3) (k), an effective date of July 1, 2008 was suggested, meaning that the provisions will exist in current law for state fiscal year 2007-08 even though they are not expected to have an effect under current incentive estimates, and will be repealed beginning with appropriations for state fiscal year 2008-09. Therefore, this is partly a matter of perception for counties, not repealing the provision before necessary. Given the above discussion, it may make more sense to make the repeal of 49.24 (2) (d) effective "with allocations for 2008," or January 1, 2008.

*The LRB analysis characterizes the rationale for the distribution of incentive funds as "an incentive and reward for child support collection efforts." While true, it may help to know that federal law requires the state to share a portion of the federal earnings with subordinate units. The federal award is based on several performance factors, of which collection efforts are only one (e.g., paternity establishment, cost efficiency, etc.) as well as states' performance relative to each other. Wisconsin's program under s.49.24 is intended in part to satisfy the federal requirement, partly merely to provide local assistance to counties for their child support responsibilities (particularly in view of the provision of state funds) and in part to allow the state, in consultation with counties, to provide an incentive for local work on emphasis areas, which can change from year to year. Typically some portion of the contract is considered "performance based" and must be earned by the counties.

We hope this is helpful in clarifying current law and practice as well as how the intent could be reflected in this draft. Thanks for your assistance.

Tom

Thomas K. Smith

Director, Office of Policy and Budget
Department of Workforce Development
201 East Washington Ave.
P.O. Box 7946
Madison, Wisconsin 53707
Telephone: 608.266.7895
Fax: 608.267.7952
E-Mail: Thomas.Smith@dwd.state.wi.us

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From: Harshner, Samuel - DOA [<mailto:samuel.harshner@wisconsin.gov>]
Sent: Wednesday, January 17, 2007 1:57 PM
To: Smith, Thomas K - DWD BUDGET; Mansfield, Mark
Subject: FW: LRB Draft: 07-1523/1 Child support incentive payments

Mark this is your baby so let me know if this does what you think it does. I'm having a bit of trouble following the process here.

Child support staff should take a look as well.

From: Schlueter, Ron [<mailto:Ron.Schlueter@legis.wisconsin.gov>]
Sent: Wednesday, January 17, 2007 1:39 PM
To: Harshner, Samuel - DOA
Cc: Hanle, Bob - DOA; Hanaman, Cathlene - LEGIS; Palchik, Laurie A - DOA



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1523/

PJK:kjf/

Handwritten signature

DOA:.....Harshner, BB0353- - Child support incentive payments

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

(1-23)

do not get cut

1 AN ACT *f*; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

CHILDREN

Under current law, as an incentive and reward for child support collection efforts, counties receive a portion of federal child support incentive payments awarded to the state and additional state child support incentive payments, limited to \$5,690,000 per year, from the support collections trust fund, which consists of moneys from various sources, including child support assigned to the state by payees of child support who receive certain benefits from the state. This bill eliminates the payment of child support incentive payments to counties from the support collections trust fund, creates a general purpose revenue appropriation for providing the state child support incentive payments, and limits the state child support incentive payments to \$5,500,000 per year.

Current law also provides that if federal child support incentive payments awarded to the state for a federal fiscal year are less than \$12,340,000, the total federal and state child support incentive payments to counties may not exceed \$12,340,000. The bill removes that limit on total federal and state child support incentive payments.

unobligated plus any unobligated amounts from the prior year

provision

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) (b) of the statutes is created to read:

2 20.445 (3) (b) *Child support local assistance.* As a continuing appropriation,
3 the amounts in the schedule to be distributed as child support incentive payments
4 under s. 49.24 (1).

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

5 **SECTION 2.** 20.445 (3) (k) of the statutes is amended to read:

6 20.445 (3) (k) *Child support transfers.* All moneys transferred from the
7 appropriation account under par. (r), to be expended under the Wisconsin Works
8 program under subch. III of ch. 49 and under the work experience program for
9 noncustodial parents under s. 49.36, ~~to be distributed as child support incentive~~
10 ~~payments as provided in s. 49.24,~~ for costs associated with receiving and disbursing
11 support and support-related payments, including any contract costs, for
12 administering the program under s. 49.22 and all other purposes specified in s. 49.22,
13 and for the support of dependent children in accordance with applicable federal and
14 state statutes, federal regulations, and state rules.

15 **SECTION 3.** 49.24 (1) of the statutes is amended to read:

16 49.24 (1) From Beginning in 2008, from the appropriation under s. 20.445 (3)
17 (k) (b), the department shall provide child support incentive payments to counties.
18 Total payments under this subsection may not exceed \$5,690,000 \$5,500,000 per
19 year.

20 **SECTION 4.** 49.24 (2) (d) of the statutes is repealed.

Insert 2-19

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1523/2ins
PJK:kff:rs

INSERT 2-19

1 SECTION 1. 49.24 (1) of the statutes is amended to read:

2 49.24 (1) From the appropriation under s. 20.445 (3) (~~k~~) [✓](b), the department
3 shall provide child support incentive payments to counties. ~~Total payments~~
4 Beginning in 2008, amounts allocated by the department [✓] under this subsection may
5 not exceed \$5,690,000 [✓] \$5,500,000 per year plus any amounts not obligated in the [✓]
6 prior year.

7 History: 1997 a. 27; 1999 a. 9; 2003 a. 33.

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

9 49.24 (2) (b) (intro.) Subject to the ~~incentive payments limit specified in par.~~
10 (a), the department shall distribute to counties, in accordance with the formula
11 established under par. (a), all of the following:

History: 1997 a. 27; 1999 a. 9; 2003 a. 33.

(END OF INSERT 2-19)

INSERT 3-3

11 ~~(1)~~ CHILD SUPPORT INCENTIVE PAYMENTS.

12 (a) The treatment of section 49.24 (2) (d) of the statutes takes effect on January
13 1, 2008.

14 (b) The treatment of section 20.445 (3) (~~k~~) [✓](b) of the statutes takes effect on July
15 1, 2008.

(END OF INERT 3-3)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1523/2

PJK:kjf

3
r m i s s i o n

DOA:.....Harshner, BB0353 - Child support incentive payments

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

(i 1-24)
note

\$2,750,000 in fiscal year 2007-08, and thereafter to

do not
you cut

fiscal

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

CHILDREN

Under current law, counties receive a portion of federal child support incentive payments awarded to the state and additional state child support incentive payments, limited to \$5,690,000 per year, from the support collections trust fund, which consists of moneys from various sources, including child support assigned to the state by payees of child support who receive certain benefits from the state. This bill eliminates the payment of child support incentive payments to counties from the support collections trust fund, creates a general purpose revenue appropriation for providing the state child support incentive payments, and limits the state child support incentive payments to \$5,500,000 per year plus any unobligated amounts from the prior year.

Current law also provides that if federal child support incentive payments awarded to the state for a federal fiscal year are less than \$12,340,000, the total federal and state child support incentive payments to counties may not exceed \$12,340,000. The bill removes that provision.

fiscal

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) (b) of the statutes is created to read:

2 20.445 (3) (b) *Child support local assistance.* As a continuing appropriation,
3 the amounts in the schedule to be distributed as child support incentive payments
4 under s. 49.24 (1).

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

5 **SECTION 2.** 20.445 (3) (k) of the statutes is amended to read:

6 20.445 (3) (k) *Child support transfers.* All moneys transferred from the
7 appropriation account under par. (r), to be expended under the Wisconsin Works
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12 administering the program under s. 49.22 and all other purposes specified in s. 49.22,
13 and for the support of dependent children in accordance with applicable federal and
14 state statutes, federal regulations, and state rules.

15 **SECTION 3.** 49.24 (1) of the statutes is amended to read:

16 49.24 (1) From the appropriation under s. 20.445 (3) (k) (b), the department
17 shall provide child support incentive payments to counties. Total payments
18 Beginning in 2008, amounts allocated by the department under this subsection may
19 not exceed \$5,690,000 \$5,500,000 per year plus any amounts not obligated in the
20 prior year.

Insert 2-20 →

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

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

5 **SECTION 5.** 49.24 (2) (d) of the statutes is repealed.

6 **SECTION 9454. Effective dates; Workforce Development.**

7 (1) CHILD SUPPORT INCENTIVE PAYMENTS.

8 (a) The treatment of section 49.24 (2) (d) of the statutes takes effect on January
9 1, 2008.

10 (b) The treatment of section 20.445 (3) (k) of the statutes takes effect on July
11 1, 2008.

12

(END)

D-note

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1523/3ins
PJK:kjf:jf

INSERT 2-20

1 49.24 (1) From the appropriation under s. 20.445 (3) (~~k~~) [✓](b), the department
2 shall provide child support incentive payments to counties. Total payments In fiscal
3 year 2007-08, amounts allocated by the department under this subsection may not
4 exceed \$2,750,000, plus any amounts not obligated in the prior fiscal year. Beginning
5 with fiscal year 2008-09, amounts allocated under this subsection may not exceed
6 \$5,690,000 [✓]\$5,500,000 per [✓]fiscal year, plus any amounts not obligated in the prior
7 fiscal year.

History: 1997 a. 27; 1999 a. 9; 2003 a. 33.

(END OF INSERT 2-20)

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

LRB-1523/3dn

PJK:kjf/

Date

Sam:

This works better for me. I hope it works for you, too.

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

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

LRB-1523/3dn
PJK:kjf:pg

January 25, 2007

Sam:

This works better for me. I hope it works for you, too.

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



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1523/3

PJK:kjf:pg

DOA:.....Harshner, BB0353 - Child support incentive payments

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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CHILDREN

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10 ~~payments as provided in s. 49.24~~, for costs associated with receiving and disbursing
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18 year 2007-08, amounts allocated by the department under this subsection may not
19 exceed \$2,750,000, plus any amounts not obligated in the prior fiscal year. Beginning
20 with fiscal year 2008-09, amounts allocated under this subsection may not exceed

