

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5217/1	Introduction Number AB-0006 (JR8)
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Description
 payments based on performance for Wisconsin Works and FoodShare employment and training program contractors

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DCF 1/30/2018

LRB Number	17-5217/1	Introduction Number	AB-0006 (JR8)	Estimate Type	Original
Description payments based on performance for Wisconsin Works and FoodShare employment and training program contractors					

Assumptions Used in Arriving at Fiscal Estimate

Current law requires the Department of Children and Families (DCF) to establish performance standards for administration of the Wisconsin Works (W-2) program. If a W-2 agency does not meet the performance standards established, DCF may withhold or recover any or all payment from the agency. The department is required to base any performance bonus calculation made for W-2 agencies on all of the following criteria:

- Placement of participants in W-2 employment positions into unsubsidized employment;
- Whether a participant's unsubsidized employment placement is full-time or part-time;
- The job retention rate, as defined by DCF, of former W-2 employment position participants;
- Wages and benefits earned by former W-2 employment position participants;
- Appropriate implementation of W-2;
- Customer satisfaction.

The bill requires DCF to create and implement a performance-based system for W-2 contracts, with performance standards based on the aforementioned six criteria. The bill retains the current law prohibition against DCF basing any performance bonus payments on caseload decreases or reduced spending by the W-2 agency that are not directly attributable to placing participants in unsubsidized employment. The bill also clarifies that the job retention rate criterion is to be measured at periodic intervals after placement. Changes under the bill would first apply to contracts entered into or renewed on the effective date of the bill.

The department does not anticipate a fiscal effect from the changes under the bill because current W-2 agency contracts already have funding for agencies that is only available on a performance basis. Performance payment budgets for W-2 agencies are based on process outcomes, such as timely processing of Emergency Assistance applications and meeting work participation rate targets, as well as performance outcomes relating to job attainment and retention targets.

Any changes resulting from the bill on W-2 agency contract performance payments would be included in the CY2019 contracts.

Long-Range Fiscal Implications