

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date 8/11/17
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) DCF 101, Wisconsin Works	
4. Subject Sanctions in the Wisconsin works program	
5. Fund Sources Affected <input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected 20.437 (2) (dz)
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget <input type="checkbox"/> Decrease Cost	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Would Implementation and Compliance Costs Be Greater Than \$20 million? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10. Policy Problem Addressed by the Rule Implementation of ss. 49.151 (1m) and 49.153, as affected by 2015 Act 55, to comply with the federal Temporary Assistance for Needy Families (TANF) requirement to impose penalties on individuals who refuse to engage in work and to facilitate the attainment of the federal TANF work participation rate (WPR). If a participant, or an individual in the participant's Wisconsin works group, refuses to participate in required activities, then the individual is ineligible to participate in the Wisconsin works program for a period of three months. Section 49.1515 (1), Stats., directs the department to promulgate rules that specify guidelines for determining when a participant or an individual in the participant's Wisconsin works group, is demonstrating a refusal to participate. Prior to taking any action that would result in a 20 percent or more reduction in a participant's benefits or termination of a participant's Wisconsin works eligibility, Wisconsin works agencies are required to provide written notice of the proposed action and allow the participant a reasonable time to rectify the deficiency, failure, or other behavior to avoid the proposed action. Wisconsin works agencies are not required to comply with the notice requirements if the action taken is the result of the participant no longer meeting certain eligibility criteria. Section 49.153 (2), Stats., directs the department to promulgate rules that establish procedures for the notice and that define "reasonable time."	
11. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments. The department solicited comments from Community Advocates, Department of Health Services, Department of Workforce Development, Employ Milwaukee, Legal Action of Wisconsin, Public Policy Committee of the Milwaukee Child Abuse Prevention Services Coalition, Wisconsin Council on Children and Families, Wisconsin County Human Service Association, Wisconsin works agencies, and Workforce Development Boards. The department requested that the Wisconsin works agencies solicit comments from their Community Steering Committee members.	
12. Identify the local governmental units that participated in the development of this EIA. No comments were received on the anticipated economic impacts of the proposed rules. Comments were received by a Wisconsin works agency and a Community Steering Committee member that were all related to statutory requirements.	

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13. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rules define more specifically the criteria for demonstrating a refusal to participate so that the criteria will be better utilized by Wisconsin works agencies to impose penalties on participants who are not participating. The proposed rules also mirror existing policies and procedures for providing notice prior to taking any action against a participant that would result in a 20 percent or more reduction in the participant's benefits or termination of the participant's Wisconsin works eligibility. Imposing a 3-month penalty on participants who refuse to work and terminating eligibility for participants who no longer meet certain eligibility criteria will remove these cases from the denominator in calculating WPR.

Implementation of the proposed rules would have minimal fiscal effects. Costs to the department are anticipated to increase initially and are primarily associated with changes to the CARES system and costs for state staff to develop, automate, train, and monitor changes. Automation changes are necessary to support the imposition of a penalty. The department estimates that these changes would cost \$150,800. Costs to the Wisconsin works agencies are limited to administrative costs to train staff on policies and procedures. Administrative costs associated with the provision of Wisconsin works services are expected to be absorbed within the agencies' contract budgets.

The proposed rules will not have an economic impact on the state's economy, specific businesses/sectors, public utilities or their tax payers, or small businesses.

14. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule
Satisfy rule-making requirements under ss. 49.1515 (1) and s. 49.153 (2), Stats.

15. Long Range Implications of Implementing the Rule
Meet the federal TANF WPR and avoid imposition of a state penalty.

16. Compare With Approaches Being Used by Federal Government
45 CFR §261.14 provides that "if an individual refuses to engage in work required under section 407 of the [Social Security] Act, the State must reduce or terminate the amount of assistance payable to the family, subject to any good cause or other exceptions the State may establish." The State is required, at a minimum, to "reduce the amount of assistance otherwise payable to the family pro rata with respect to any period during the month in which the individual refuses to work", and it "may impose a greater reduction, including terminating assistance." That section further provides that "a State that fails to impose penalties on individuals in accordance with the provisions of section 407(e) of the Act may be subject to the State penalty specified at §261.54." The referenced penalty in §261.54 is "between one and five percent of the adjusted SFAG [State Family Assistance Grant]."

17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)
Federal requirements to impose a penalty on individuals who refuse to engage in work applies to all states. Illinois, Iowa, and Michigan have rules that define participation and penalties for failure to participate. Minnesota's sanctions for failure to participate are contained in statute, not in administrative rule.

18. Contact Name
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19. Contact Phone Number
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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

na

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

na

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

na

5. Describe the Rule's Enforcement Provisions

na

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

Yes No
