



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #335

### **FoodShare Work Requirements and Employment and Training Funding (DHS -- Medical Assistance and FoodShare -- Administration)**

[LFB 2013-15 Budget Summary: Page 237, #1]

#### **CURRENT LAW**

FoodShare is Wisconsin's name for the federal supplemental nutrition assistance program (SNAP). The program provides federally-funded benefits to individuals and families with income under 200% of the federal poverty level to purchase food from participating retailers (in 2013, \$39,060 in annual income for a family of three). SNAP is administered on the federal level by the Food and Nutrition Service (FNS) in the U.S. Department of Agriculture. The state Department of Health Services (DHS) and counties are responsible for certain areas of program administration, such as enrollment and eligibility management, and generally pay for 50% of the program's administrative costs. Table 1 shows average monthly FoodShare enrollment and total benefits paid for calendar years 2009 through 2012 and for calendar year 2013 through March.

**TABLE 1**

#### **FoodShare Average Monthly Enrollment and Total Annual Benefits**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013*</u>
Average Monthly Enrollment	595,025	743,836	816,215	840,193	856,943
Total Benefits (in millions)	\$778.9	\$1,039.3	\$1,142.1	\$1,177.8	\$302.7

\*Calendar year to date, through March.

Federal law limits SNAP eligibility to three months in a three-year period for able-bodied adults without dependents (ABAWDs) who are not working or participating in employment training programs for at least 20 hours per week. However, states may elect to waive these

ABAWD work requirements. As Wisconsin and most other states currently waive these requirements, there is no current limit on the amount of time a Wisconsin ABAWD may receive FoodShare benefits based on work status.

*FoodShare Employment and Training.* States are required to operate employment and training programs for SNAP recipients. In Wisconsin, this program is the FoodShare Employment and Training (FSET) program. DHS currently administers FSET as a voluntary program, with average monthly enrollment of 6,047 in 2012. The program is administered by counties or private agencies, with a total of \$10,962,900 (\$2,590,500 GPR, \$6,364,100 FED, and \$2,008,300 in local funds) spent on FSET in 2011-12. Federal funds are provided in two allocations -- a 100% federal allocation, and federal matching funds generated by state and local expenditures (on a dollar-for-dollar match).

Individuals enrolled in FSET receive a range of services, including orientation, ongoing assessment, employment search support, basic education, short-term vocational training, transportation, or other work or job interview-related expenses (such as child care or clothing suitable for job interviews). FSET agencies may also assist participants achieve self-employment.

## **GOVERNOR**

*ABAWD Work Requirements.* Permit DHS to implement a policy to implement federal work requirements for ABAWDs. Under this policy, all ABAWDs would be required to work an average of 20 hours per week, participate in and comply with the requirements of a work program for 20 hours per week, spend 20 hours per week in any combination of work and participation in a work program, or participate in and comply with a workfare program. Specify that if an ABAWD does not fulfill the work requirement, DHS could limit the individual's eligibility for FoodShare benefits to three months over a three-year period.

Require DHS to request a waiver or an amendment to the waiver from the U.S. Department of Agriculture to permit DHS to implement the policy, if DHS determines that a waiver or amendment to a waiver is necessary to implement this policy.

Define "able-bodied adult" as an individual who is not any of the following: (a) less than 18 years of age; (b) 50 years of age or older; (c) has been determined by DHS to be physically or mentally unfit for employment; (d) is a parent of, or resides in a household with, a child under 18 years of age (even if child does not qualify for FoodShare); (e) is otherwise exempt under federal law from the work requirement; or (f) is pregnant. Permit DHS to exempt up to 15% of ABAWDs participating in FoodShare from the time limits.

Authorize DHS to administer FSET by contracting with local workforce development boards and other organizations (in addition to county departments, multi-county consortia and tribal governing bodies, as allowed under current law), a provision that would first apply to any contracts made on or after the effective date of the bill.

Modify a federal appropriation that currently supports costs of contracting for the administration of income maintenance programs to also support FSET. Modify the current

definition of an "income maintenance program," as it relates to the administration of public assistance programs by the state and multi-county consortia, to exclude FSET.

In addition, specify that any FoodShare recipient who is the caretaker of a child under the age of six years would not be required to participate in FSET, as specified in federal law. Current state law exempts caretakers of children under the age of 12 weeks. This provision would become relevant only if FSET were operated as a mandatory program. It is currently operated as a voluntary program, so no individual is mandated to participate regardless of parental status.

*FSET Services and Administrative Funding.* Provide \$188,400 (\$94,200 GPR and \$94,200 FED) in 2013-14 and \$35,565,300 (\$16,685,700 GPR and \$18,879,600 FED) in 2014-15, and 4.00 positions (2.00 GPR positions and 2.00 FED positions), beginning in 2013-14, and 36.00 positions (18.64 GPR positions and 17.36 FED positions) in 2014-15, to support increased FSET enrollment, and for additional administrative costs to implement and monitor compliance with the ABAWD work requirement.

## **DISCUSSION POINTS**

1. This proposal would codify in state statute certain provisions of federal law that establish work requirements for ABAWDs. However, under federal law, states may waive ABAWD work requirements, and most states currently do so. Wisconsin has waived the ABAWD work requirement since 2002, under various state options. According to FNS, five states (Delaware, New Hampshire, Utah, Vermont and Wyoming) imposed the work requirement statewide, and six states (Colorado, Nebraska, New York, North Dakota, South Dakota and Texas) imposed the work requirements in regions of the state in federal fiscal year 2012-13.

2. The bill would permit DHS to implement a policy to enforce the federal work requirement, but would not require DHS to implement or maintain that policy. Under current state and federal law, DHS may request a waiver of the work requirements without legislative approval. States must inform FNS annually of the decision to exempt ABAWDs from the work requirement.

3. Non-exempt ABAWDs would be required to work or participate in employment and training programs (or some combination of the two) for at least 20 hours per week. Individuals could meet these requirements by participating in an FSET program. If an ABAWD did not meet the 20-hour requirement, he or she would only be eligible to receive FoodShare benefits for three months in a three-year period. The individual would be barred from participating in FoodShare for the remainder of the three-year period, unless he or she began meeting the work requirement. Individuals who had exhausted their three months of eligibility could re-enroll in FoodShare after meeting the work requirements for 30 days. If he or she did not meet the work requirement for a second time, a second FoodShare benefit time limit of three consecutive months would apply. After those three months, and for the remainder of the three-year period, that individual could only receive FoodShare benefits in months that he or she met the work requirement.

4. Under federal law, the ABAWD work requirement cannot apply to certain individuals. An individual would not be subject to the work requirement if he or she is between the

ages of 18 years and 50, has been determined to be physically or mentally unfit for employment, is a parent of, or resides in a household with, someone who is under 18 years of age, is pregnant, or is otherwise exempt from the work requirement under federal law. The federal exemption includes students who are in school at least part-time and working, and individuals in alcohol or other drug abuse treatment programs. In addition, states that have the ABAWD requirements in place can exempt up to 15% of ABAWDs from the three-month time limit.

### **ABAWD Population Estimates**

5. In developing its budget for the cost of additional FSET services, DHS estimated that there were approximately 76,000 ABAWDs participating in FoodShare in March, 2012, who were not working 20 hours per week or were not otherwise exempt from the work requirement ("non-exempt ABAWDs").

6. In reviewing these estimates, the Department found that this initial estimate overstated the number of non-exempt ABAWDs in the program. DHS now estimates that there were 57,727 non-exempt ABAWDs in March, 2012, and 62,698 non-exempt ABAWDs in March, 2013.

7. Federal law permits states that implement the ABAWD work requirement to exempt 15% of ABAWDs who are not otherwise exempt, allowing those individuals to continue to receive SNAP benefits without a three-month time limit. The 15% exemption does not need to be applied equally to all areas of the state; if this proposal is approved DHS could allocate more of the exemptions to certain areas of the state, based on labor market conditions.

8. As there is little information available from other states that have implemented the ABAWD work requirement, there is considerable uncertainty regarding what percentage of non-exempt ABAWDs in Wisconsin would comply with the new requirements. DHS assumes that 50% of non-exempt ABAWDs would participate in FSET and continue to receive FoodShare benefits, and 50% of non-exempt ABAWDs would not meet the requirements, and would stop receiving FoodShare benefits program after reaching the three-month time limit. This assumption was based on Delaware's experience imposing the work requirements, and the decline in participation in Wisconsin's FSET participation when the program was made voluntary in 2008.

The bill would provide funding for 32,248 non-exempt ABAWDs to participate in the FSET program, after applying the 15% exemption and an assumption that 50% of non-exempt ABAWDs would enroll in FSET to meet the work requirement. This includes 29,911 ABAWDs that would enroll in FSET services in response to the work requirement, and an estimated 2,337 ABAWDs that currently participate in FSET.

9. The administration assumes that 50% of non-exempt ABAWDs would no longer participate in FoodShare after the implementation of this policy. They would be barred from participating in FoodShare for the remainder of the three-year period, unless they otherwise met the work requirement. Individuals who had exhausted their three months of eligibility could re-enroll in FoodShare if they met the work requirements for 30 days, and continued meeting the requirements. If they do not meet the work requirement for a second time, they are subject to a second three-

month time limit on reviewing FoodShare benefits.

By applying the DHS disenrollment assumption to the revised ABAWD enrollment data for March, 2013, it is estimated that 31,350 ABAWDs would no longer receive FoodShare benefits. Based on the average FoodShare benefit ABAWDs currently receive (\$191 per month), the annual loss of federal FoodShare benefits this population would receive is estimated to be approximately \$71.9 million. These benefits would no longer be available to supplement food purchases for ABAWDs subject to the time limits.

10. Attachment 1 provides county level data on total FoodShare enrollment, the revised estimate of non-exempt ABAWDs, the estimated increase in FSET participation, and the estimated FoodShare disenrollment expected as a result of this policy.

### Cost Estimate

11. Table 2 provides a summary of the funding provided in the bill to implement the ABAWD work requirement in 2014-15. Over the biennium, the bill would provide \$35.8 million (all funds), and 36.0 positions to implement the work requirement policy.

**TABLE 2**

### 2014-15 Funding and Position Summary

	<u>GPR</u>	<u>FED</u>	<u>Total</u>
<b>FSET Costs</b>			
FSET Services	\$12,655,400	\$15,023,800	\$27,679,200
Incentive Payments to Regional Contractors	775,000	775,000	1,550,000
<b>Administrative Costs</b>			
Income Maintenance Consortia Costs	\$1,674,100	\$1,545,400	\$3,219,500
Milwaukee Enrollment Services (Miles)	594,400	548,600	1,143,000
CARES Modifications	500,000	500,000	1,000,000
Program Evaluation	225,000	225,000	450,000
DHS Central Office Staff*	149,000	149,000	298,000
Hearings and Appeals	102,600	102,600	205,200
Postage	<u>10,200</u>	<u>10,200</u>	<u>20,400</u>
<b>Total</b>	<b>\$16,685,700</b>	<b>\$18,879,600</b>	<b>\$35,565,300</b>
<b>Positions</b>			
Miles	16.64	15.36	32.00
DHS Central Office*	<u>2.00</u>	<u>2.00</u>	<u>4.00</u>
<b>Total</b>	<b>18.64</b>	<b>17.36</b>	<b>36.00</b>

\* In 2013-14, the bill would provide \$188,400 (\$94,200 GPR and \$94,200 FED) and 4.0 positions (2.0 GPR and 2.0 FED) for DHS central office administrative staff.

12. The bill would provide additional funding for the FSET program to support services for the ABAWDs expected to enroll in FSET to meet the new work requirement in order to continue to receive FoodShare benefits. An additional \$12,655,400 GPR and \$15,023,800 FED would be provided for FSET services in 2014-15. DHS indicates that if FSET funding is not sufficient to meet demand for services, ABAWDs cannot be sanctioned for noncompliance with the three-month time limit on FoodShare eligibility and the policy cannot be implemented.

13. Current law permits, but does not require, the Department to operate FSET as a mandatory program for certain individuals. If the program were mandatory, the requirement would apply to a broader population than would be subject to the ABAWD work requirement policy. The Department does not plan to change its current policy of operating FSET as a voluntary program, although participation in FSET would be a way for ABAWDs to meet the proposed work requirement.

14. Currently, single county FSET agencies administer the program. If these provisions were approved, DHS plans to transition to a regional FSET model, based on eleven workforce development areas (WDAs). These areas are currently served by workforce development boards that administer a variety of programs for employment placement, education, and job training. The regional FSET contracts would be put out for a competitive bid -- workforce development boards, county departments, multi-county groups, or other organizations would be able to compete for the FSET funding.

15. The bill does not contain provisions directing how or when DHS would implement the proposed work requirements. However, the administration has budgeted FSET and administrative funding to allow a phase-in of the work requirement beginning in July, 2014, with statewide implementation in January, 2015. The funding in the bill reflect the following DHS phase-in plan:

- a. On July 1, 2014, implement the ABAWD work requirement policy in the Southeast WDA (Kenosha, Racine, and Walworth Counties);
- b. On October 1, 2014, implement the policy in the Bay, North Central and South Central WDAs; and
- c. On January 1, 2015, implement the policy in the rest of the state, including Milwaukee County.

The attachment lists the counties in each WDA.

16. Members of Native American tribes also participate in the FoodShare program, and may enroll in the FSET program. As of March, 2013, it is estimated that approximately 155 non-exempt ABAWDs were members of tribes. DHS indicates that the work requirement would be applied to tribes sometime in 2014-15, most likely on January 1, 2015. Unlike counties, tribes would have the right of first refusal to run a tribal FSET program, rather than FSET services for tribal members being put out for competitive bid. The Department indicates that it will continue to

work with the tribes to finalize the ABAWD work requirement and FSET service delivery plan for tribal members.

17. DHS based the additional FSET cost estimate on an assumption that service costs would be \$125 per FSET participant per month. DHS developed this assumption by reviewing current program costs in certain large counties, under the rationale that a regional model of FSET service delivery may mirror cost experience in large counties that have achieved certain economies of scale. However, DHS does not collect data on how many hours per week current program participants spend receiving FSET services. If the 20 hour per week requirement is substantially higher than the average number of hours current enrollees receives in the voluntary program (for instance, if a large number of current FSET enrollees only receive a few hours of selected services per week), this per person cost could be higher than assumed in the DHS model.

18. The amount budgeted for FSET services assumes that Wisconsin would qualify as a "pledge state" under federal law and will receive a portion of \$20 million in annual pledge state grants distributed by FNS. A pledge state is a state that has the federal ABAWD work requirement in place, reaches out to ABAWDs in their third month of FoodShare participation, and pledges to provide employment and training services to all ABAWDs.

19. The funding in the bill assumes that Wisconsin would receive a pledge state grant equal to \$1,578,900 in 2014-15, and \$3,157,900 annually once the ABAWD requirement is implemented statewide. This 100% federal funding source would offset GPR expenditures. The amount that Wisconsin could receive depends on the number of other states that seek and receive pledge state status, and Wisconsin's share of the total number of ABAWDs in all pledge states. Colorado, Delaware, New York, South Dakota, and Texas currently receive pledge state funds proportionate to the number of ABAWDs in each state.

20. An additional \$775,000 GPR and \$775,000 FED would be provided in 2014-15 as incentive payments to encourage the continuation of relationships between regional FSET agencies and local partners, and to retain local funds for the program. This would be focused on local partners of current FSET agencies, such as technical colleges or vocational schools, to encourage the continuation of those relationships after the move to a regional model.

21. In addition to increasing funding for FSET services, the bill would increase funding to support administrative costs by approximately \$6.5 million (all funds) in 2014-15 for the following purposes: (a) additional local income maintenance (IM) staff and 32.0 state positions at the Milwaukee Enrollment Services Center (MilES) to implement and monitor compliance the work requirement policy (\$4,362,500); (b) modifications to the client assistance for reemployment and economic support (CARES) eligibility system (\$1,000,000); (c) 4.0 additional positions at the DHS central office (\$486,400); (d) ongoing program evaluation (\$450,000); (e) anticipated increases in hearings and appeals of eligibility determinations and denials (\$205,200); and (f) postage costs for additional information provided to ABAWDs regarding FSET (\$20,400).

22. Local IM consortia and MilES staff enroll individuals and families in the Medicaid and FoodShare programs, and manage those cases on an ongoing basis. Additional funding would be provided to accommodate the increased workload expected for county IM agencies and MilES. If

the work requirement is implemented, there would be increased "churning" of FoodShare participants as work status changes, and increased ongoing case management costs to monitor compliance with the work requirement. DHS estimates that IM and Miles administrative costs would increase by approximately \$4.4 million as the policy is phased in during 2014-15, and \$6.6 million annually once the policy is fully implemented. An additional 32.0 state positions would be provided at Miles to implement the work requirements.

23. Changes would also be needed to update the CARES eligibility system to identify, screen, and monitor ABAWDS that may be subject to the work requirement. The Department estimates that these changes will cost \$1 million (all funds). This includes some one-time costs to make initial changes to the system, and some ongoing costs to maintain CARES functionality for monitoring ABAWD work status. It is not known how much ongoing funding would be needed for the CARES system.

24. The 4.0 additional DHS central office staff would conduct certain administrative activities, such as developing program policy related to eligible work or employment training activities, coordinating with the Department of Children and Families and Department of Workforce Development, performing quality assurance activities, and interacting with and providing information to local FSET agencies.

25. DHS indicates that these administrative staff costs are necessary to implement the ABAWD requirement, to ensure timely reporting of work status changes, and to avoid increases in the FoodShare payment error rate. Monitoring compliance with the requirement will introduce much more complexity into the case management of ABAWDs who participate in FoodShare.

26. FNS imposes financial penalties on states that inaccurately provide or deny SNAP benefits to individuals. Wisconsin was last sanctioned for payment error rates in 2003-04. Inadequate monitoring may lead to erroneously denying or providing FoodShare benefits to ABAWDs. Even though the bill provides additional funding for eligibility management staff and database changes, it is possible that the state's FoodShare payment error rate could increase after this policy is implemented (especially during the early phases of implementation), due to the complexity of monitoring each individual's work or employment training status, which could lead to payment error rate sanctions by FNS.

27. As 2015-16 would be the first full fiscal year where the entire state would be subject to the ABAWD work requirements, additional funding would be required in the 2015-17 biennium to fund full implementation on a statewide basis. If enacted, it is estimated that an additional \$9.4 million GPR would be needed in each year, beginning in 2015-16, to fully fund the annualized costs of this proposal. This item has been incorporated into estimates prepared by this office of the general fund structural deficit under the bill.

28. As FoodShare benefits are 100% federally-funded, any decrease in FoodShare benefits ABAWDs would receive under this proposal would be realized in savings to the federal government. No direct state cost savings would occur with the implementation of this policy to offset the costs of this policy.

## Alternatives for Consideration

29. The administration argues that implementing the ABAWD work requirement and increasing administrative and FSET funding would encourage individuals to enter the workforce and provide them with the training to be able to do so. Further, if DHS implements an effective FSET program, the state costs of providing additional FSET services may result in long-term savings to the state, as individuals who receive these services may be less likely to receive assistance under publicly-funded programs. For these reasons, the Committee could adopt the Governor's proposal (Alternative 1). State statutes would be amended to include the provision permitting DHS to enact a policy to impose work requirements on ABAWDs in FoodShare, and additional funding would be provided to DHS to fund additional FSET services and to support the administrative costs of implementing the proposal.

30. As previously indicated, after the bill was introduced, the administration revised its estimate of the number of non-exempt ABAWDs who would have been subject to the work requirement as of March, 2013, from 75,878 to 62,698 (a decrease of 17%). Based on this revision in the estimate of the target population, but retaining all of the administration's other assumptions regarding participation rates and average program costs, the Committee could reduce funding in the bill by \$2,360,400 GPR and \$2,360,400 FED to reflect a reduction in estimated FSET service costs (Alternative 2). This option would budget FSET services for 24,309 new ABAWDs, in addition to the 2,337 ABAWDs who currently participate in FSET.

31. The funding changes under Alternative 2 result from applying the administration's original cost model to the revised ABAWD estimate. However, DHS recommends maintaining the amount of funding in the bill, even though the revised ABAWD estimates suggest that less funding would be needed than originally projected. DOA and DHS determined the FSET funding level in the budget based on a series of assumptions, such as average cost and FSET enrollment percentage. If these assumptions do not prove accurate, FSET costs could exceed budgeted levels and FNS would not allow DHS to continue to implement the FSET work requirement, based on federal rules that require states to meet ABAWDs' employment and training need. As an example of how small changes in assumptions affect the total costs estimate, if 55% of non-exempt ABAWDs enroll in FSET (rather than 50%), and their average service cost is \$140 per month (rather than \$125), FSET service costs would exceed the amount budgeted in the bill, even with the lower estimated total number of ABAWDs.

32. A possible concern that the Committee may have with the DHS FSET cost model is the estimated monthly costs per enrollee. The assumptions were based on costs under the voluntary FSET program, as currently administered. DHS does not have sufficient data to say whether this current cost estimate would reflect service utilization under the ABAWD work requirement, when most FSET enrollees would presumably use 20 hours of services per week. The bill would provide sufficient funding to accommodate a monthly per person costs of approximately \$150 (holding all other DHS assumptions constant, and using the revised ABAWD estimate). The Committee could increase funding for FSET services if it wishes to increase budgeted service costs, from \$125 per enrollee per month to \$187.50 per enrollee per month, a 50% increase from the amounts assumed by the administration (Alternative 3). This \$187.50 per person cost should be interpreted as a more

conservative budgeting assumption than that used by the administration, rather than a re-estimate those costs based on new information. Under this option, funding in the bill would be increased by \$3,181,800 GPR and \$3,181,800 FED in 2014-15.

33. Finally, the Committee may wish to delete this item from the bill (Alternative 4), for several reasons. First, the state's cost of implementing the proposal, especially after the program is fully implemented, is likely to be substantial, and would contribute to the general fund structural deficit for the next biennium. Second, while it is not known how effective FSET programs may be in reducing participants' reliance on public assistance programs, the short-term effects would likely be to reduce federally funded benefits that are currently available to a significant number state residents with low income and who rely on these benefits to support a basic need.

34. Even though DHS has the statutory authority to implement the ABAWD work requirement under current state and federal law without approval from the Legislature, it does not appear that DHS could implement and enforce the ABAWD policy without the additional funding provided in the bill for employment and training services and administrative changes. If the bill deletes this proposal from the bill, it could ensure that DHS would not impose the work requirements, by enacting a provision to require DHS to seek and maintain a waiver of work requirements as long as FNS makes that state option available. This statutory change is incorporated into Alternative 4.

35. DHS would conduct ongoing program evaluation to analyze the employment outcomes for FSET participants. The bill would provide \$450,000 (\$225,000 GPR and \$225,000 FED) to conduct this evaluation. Legislators and the general public may be interested in seeing the results of this evaluation, and in receiving general updates on the status of the ABAWD work requirement. If the Committee wanted to ensure that this information is available to the Legislature and the general public, it could require the Department to submit a report to the Committee and the relevant standing committees of the Legislature by January 1, 2015, and every twelve months thereafter (Alternative 5). This report could include the following information: (a) the results of the evaluation funded by this item, as available; (b) an estimate of the number of ABAWDs subject to the three-month time limit on FoodShare eligibility who enrolled in FSET in the previous twelve months; (c) the number of ABAWDs subject to the three-month time limit who disenrolled from FoodShare in the previous twelve months; and (d) a discussion of any impacts of the ABAWD work requirement policy on the state's SNAP payment error rate, and county IM consortia and Miles workloads.

36. Under the bill, the additional funding that would be budgeted for FSET services would be budgeted in the same appropriations that support allocations to IM consortia to conduct enrollment and case management activities for the FoodShare and Medicaid programs. These IM activities differ significantly from the employment assistance and job training services that would be provided under this proposal. In order to maintain separate funding sources for these programs and improve program transparency, the Committee may wish to budget for these program separately, and transfer base funding that supports FSET services to new GPR and FED appropriations so that funding for these programs can be separately identified and monitored (Alternative 6).

## ALTERNATIVES

1. Approve the Governor's recommendations to make statutory changes and provide additional funding to permit DHS to implement the federal work requirements for the FoodShare program.

2. Reduce funding in the bill by \$4,720,800 (\$2,360,400 GPR and \$2,360,400 FED) in 2014-15 to reflect revised estimates of the number of non-exempt ABAWDs currently enrolled in FoodShare.

<b>ALT 2</b>	<b>Change to Bill Funding</b>	
GPR	- \$2,360,400	
FED	<u>- 2,360,400</u>	
Total	- \$4,720,800	

3. Increase funding in the bill by \$6,363,600 (\$3,181,800 GPR and \$3,181,800 FED) in 2014-15 to increase the amount of funding that would be budgeted for FSET service costs (\$187.50 per month per enrollee, rather than \$125 per month per enrollee, as budgeted in the bill).

<b>ALT 3</b>	<b>Change to Bill Funding</b>	
GPR	\$3,181,800	
FED	<u>3,181,800</u>	
Total	\$6,363,600	

4. Delete provision. In addition, require DHS to maintain the current waiver of ABAWD work requirements, unless the federal government no longer offers a state option to waive those requirements.

<b>ALT 4</b>	<b>Change to Bill Funding    Positions</b>	
GPR	- \$16,779,800	- 18.64
FED	<u>- 18,973,800</u>	<u>- 17.36</u>
Total	- \$35,753,700	- 36.00

5. In addition to Alternatives 1, 2, or 3, require DHS to provide a report to the Joint Finance Committee, and to the relevant standing committees of the legislature by January 1, 2015, and every twelve months thereafter. Require the report to include the following information: (a) the results of the evaluation funded by this item, as available; (b) an estimate of the number of ABAWDs subject to the three-month time limit on FoodShare eligibility who enrolled in FSET in the previous twelve months; (c) the number of ABAWDs subject to the three-month time limit who disenrolled from FoodShare in the previous twelve months; and (d) a discussion of any impacts of

the ABAWD work requirement policy on the state's SNAP payment error rate, and county IM consortia and Miles workloads.

6. In addition to any alternative in the paper, budget all funding for FSET services, including base funding in new GPR and FED continuing appropriations, rather than as part of the income maintenance county allocations.

Prepared by: Sam Austin  
Attachment

**ATTACHMENT**

**FoodShare Participation, and Able-Bodied Adult Without  
Dependent Children (ABAWD) Enrollment Assumptions  
Under the Governor's Proposal**

<u>Workforce Development Area, by County</u>	<u>Average Monthly FoodShare Participation Calendar Year 2012</u>	<u>Total Number of Non-Exempt ABAWDS, March 2013*</u>	<u>Projected ABAWD FSET Enrollment Under Proposal**</u>	<u>Projected ABAWD FoodShare Disenrollment, Under Proposal***</u>
<b>Work Requirement Implemented July 1, 2014</b>				
<b>Southeast</b>				
Kenosha	29,086	2,165	920	1,083
Racine	33,820	2,517	1,070	1,259
Walworth	<u>12,914</u>	<u>731</u>	<u>311</u>	<u>366</u>
<i>Subtotal</i>	<i>75,820</i>	<i>5,413</i>	<i>2,301</i>	<i>2,707</i>
<b>Work Requirement Implemented October 1, 2014</b>				
<b>Bay</b>				
Brown	30,534	1,935	822	968
Door	2,771	153	65	77
Florence	644	31	13	16
Kewaunee	1,836	88	37	44
Manitowoc	8,421	481	204	241
Marinette	6,106	355	151	178
Menominee	2,051	199	85	100
Oconto	4,315	233	99	117
Shawano	5,344	244	104	122
Sheboygan	<u>14,293</u>	<u>263</u>	<u>112</u>	<u>132</u>
<i>Subtotal</i>	<i>76,314</i>	<i>3,982</i>	<i>1,692</i>	<i>1,991</i>
<b>North Central</b>				
Adams	3,875	234	99	117
Forest	1,512	120	51	60
Langlade	4,008	272	116	136
Lincoln	4,072	207	88	104
Marathon	17,084	877	373	439
Oneida	4,951	242	103	121
Portage	7,238	391	166	196
Vilas	2,316	339	144	170
Wood	<u>11,362</u>	<u>705</u>	<u>300</u>	<u>353</u>
<i>Subtotal</i>	<i>56,419</i>	<i>3,387</i>	<i>1,439</i>	<i>1,694</i>
<b>South Central</b>				
Columbia	6,288	358	152	179
Dane	52,199	4,194	1,782	2,097
Dodge	8,823	500	213	250
Jefferson	9,025	457	194	229
Marquette	2,264	145	62	73
Sauk	<u>7,870</u>	<u>208</u>	<u>88</u>	<u>104</u>
<i>Subtotal</i>	<i>86,469</i>	<i>5,862</i>	<i>2,491</i>	<i>2,931</i>

Workforce Development Area, by County	Average Monthly FoodShare Participation Calendar Year 2012	Total Number of Non-Exempt ABAWDS, March 2013*	Projected ABAWD FSET Enrollment Under Proposal**	Projected ABAWD FoodShare Disenrollment, Under Proposal***
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**Work Requirement Implemented January 1, 2015**

**Fox Valley**

Calumet	3,111	109	46	55
Fond du Lac	10,499	631	268	316
Green Lake	2,181	91	39	46
Outagamie	15,977	833	354	417
Waupaca	5,942	342	145	171
Waushara	3,289	154	65	77
Winnebago	<u>18,780</u>	<u>1,103</u>	<u>469</u>	<u>552</u>
<i>Subtotal</i>	<i>59,780</i>	<i>3,263</i>	<i>1,387</i>	<i>1,632</i>

**Milwaukee**

<i>Milwaukee</i>	<i>279,241</i>	<i>28,982</i>	<i>12,317</i>	<i>14,491</i>
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**Northwest**

Ashland	3,339	198	84	99
Bayfield	1,594	149	63	75
Burnett	2,671	140	60	70
Douglas	7,695	482	205	241
Iron	959	44	19	22
Price	2,048	127	54	64
Rusk	2,802	132	56	66
Sawyer	3,536	426	181	213
Taylor	2,636	98	42	49
Washburn	<u>3,012</u>	<u>108</u>	<u>46</u>	<u>54</u>
<i>Subtotal</i>	<i>30,293</i>	<i>1,904</i>	<i>809</i>	<i>952</i>

**Southwest**

Grant	4,886	195	83	98
Green	4,265	187	79	94
Iowa	2,607	126	54	63
Lafayette	1,897	96	41	48
Richland	2,746	147	62	74
Rock	<u>30,481</u>	<u>2,153</u>	<u>915</u>	<u>1,077</u>
<i>Subtotal</i>	<i>46,882</i>	<i>2,904</i>	<i>1,234</i>	<i>1,452</i>

**West Central**

Barron	7,435	396	168	198
Chippewa	8,326	323	137	162
Clark	3,675	139	59	70
Dunn	5,648	252	107	126
Eau Claire	13,641	800	340	400
Pepin	726	20	9	10
Pierce	2,898	115	49	58
Polk	5,339	268	114	134
St. Croix	<u>5,880</u>	<u>880</u>	<u>374</u>	<u>440</u>
<i>Subtotal</i>	<i>53,566</i>	<i>3,193</i>	<i>1,357</i>	<i>1,597</i>

Workforce Development Area, by County	Average Monthly FoodShare Participation Calendar Year 2012	Total Number of Non-Exempt ABAWDs, March 2013*	Projected ABAWD FSET Enrollment Under Proposal**	Projected ABAWD FoodShare Disenrollment, Under Proposal***
<b>Western</b>				
Buffalo	1,429	48	20	24
Crawford	2,229	97	41	49
Jackson	2,602	124	53	62
Juneau	4,379	246	105	123
La Crosse	13,481	931	396	466
Monroe	6,111	304	129	152
Trempealeau	3,040	106	45	53
Vernon	<u>3,379</u>	<u>151</u>	<u>64</u>	<u>76</u>
<i>Subtotal</i>	<i>36,649</i>	<i>2,007</i>	<i>853</i>	<i>1,004</i>
<b>WOW</b>				
Ozaukee	4,169	190	81	95
Washington	9,376	519	221	260
Waukesha	<u>19,312</u>	<u>1,091</u>	<u>464</u>	<u>546</u>
<i>Total</i>	<i>32,857</i>	<i>1,800</i>	<i>765</i>	<i>900</i>
<b>Statewide Total</b>	<b>834,290</b>	<b>62,697</b>	<b>26,646</b>	<b>31,349</b>

\* Revised estimate received from the Department of Health Services after introduction of the Governor's bill.

\*\* Based on the Administration's assumption of 50% ABAWD participation in FSET, the 15% exemption applied evenly across counties, and the revised number of non-exempt ABAWDs.

\*\*\* Based on the Administration's assumption of 50% ABAWD disenrollment from FoodShare, and the revised number of non-exempt ABAWDs.