

NLWJC - Kagan

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Wisconsin Waiver - Welfare [2]

49.141 stat

27 161

49.141(4) -
nonenrollment

ck
veto

- 49.143 - agency Ks

49.145 - eligibility -
incl. residency

49.152 - review of decisions

State of Wisconsin



1995 Assembly Bill 591

Date of enactment: April 25, 1996

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1995 WISCONSIN ACT 289

(Vetoed in Part)

AN ACT to repeal 49.26 (1) (j), 49.27 (5) (c) 2., 49.50 (6e) (a), 560.14 (1) (a) 2., ~~632.745 (1) (f) 2.~~, 635.02 (5m), 635.07, 635.17 and 635.26 (1) (b); to renumber 49.193 (9m) (a), 49.46 (1) (e), 49.50 (6e) (b) and 635.26 (1) (a); to renumber and amend 16.841 (1), 46.98 (4) (b), 48.651, 49.124 (1m), 49.19 (11) (b), 49.19 (20) ~~49.32 (10)~~ and 49.46 (1) (cr); to consolidate, renumber and amend 560.14 (1) (a) (intro.) and 1.; to amend 13.94 (4) (a) 1., 13.94 (4) (b), 16.75 (6) (bm), 16.841 (2), 20.435 (1) (b), 20.435 (1) (bm), 20.435 (1) (o), ~~20.445 (1) (gd)~~, 20.445 (3) (L), 20.445 (3) (Lm), 40.51 (8), ~~46.03 (2)~~, 46.215 (1) (k), 46.22 (1) (b) 2. a., 46.22 (1) (b) 2. d., 46.25 (6), 46.25 (7m), 46.258 (1), 46.258 (2) (a) 1., 46.495 (1) (d), 46.979 (1), 46.98 (1) (b), 46.98 (2) (a), 46.98 (2m) (a), 46.98 (3) (c), 46.98 (4) (a) 2., 46.98 (4) (d), 46.98 (4g) (b), 46.986 (1) (b), 46.986 (1) (m), 46.987 (1) (a), 46.987 (2) (a), 46.995 (2) (c), 48.427 (3) (a) 5., 48.428 (2), 48.428 (4), 48.57 (3p) (g) (intro.), 48.651 (1) (intro.), 48.981 (2), 49.015 (2), 49.124 (2), 49.125 (1), 49.19 (4) (h) 1. b., 49.19 (4e) (a), 49.191 (1) (b), 49.191 (2), 49.193 (2) (a), 49.193 (4) (g), 49.193 (4) (j) 4., 49.193 (6) (c), 49.193 (7), 49.193 (8) (a), 49.193 (8) (bm), 49.195 (title), 49.195 (1), 49.195 (3), 49.197 (3), 49.26 (title), 49.26 (1) (e), 49.26 (1) (g) (intro.), 49.26 (1) (g) 1., 49.26 (1) (gm) (intro.), 49.26 (1) (h) 1. (intro.), 49.26 (1) (h) 1. a., 49.26 (1) (h) 1m. (intro.), 49.26 (1) (hm), 49.26 (1) (hr), 49.27 (3) (a), (b) and (c) and (4) (a) (intro.), 49.27 (6) (c), 49.30 (1) (intro.), 49.32 (7) (a), 49.32 (9) (a), 49.32 (9) (b), 49.32 (10) (title), 49.33 (1) (b), 49.33 (1) (c), 49.33 (2), 49.33 (8) (a), 49.36 (title), 49.36 (2), 49.36 (3) (a), 49.36 (3) (g), 49.36 (4), 49.36 (5), 49.36 (6), 49.36 (7), 49.45 (6m) (br) 1., 49.46 (1) (a) 1., 49.46 (1) (a) 1m., 49.46 (1) (a) 5., 49.46 (1) (a) 6., 49.46 (1) (a) 9., 49.46 (1) (a) 10., 49.46 (1) (a) 11., 49.46 (1) (a) 12., 49.46 (1) (a) 13., 49.46 (1) (cg), 49.46 (1) (cs), 49.46 (1) (d) 1., 49.47 (1), 49.47 (4) (a) (intro.), 49.47 (4) (c) 2., 49.50 (6g), 49.50 (6k) (a), 49.50 (6k) (b), 49.50 (7) (e), 49.52 (1) (d), 49.83, 49.84 (5), 49.85 (1), 49.85 (2) (b) and (3) (b) 1., 49.95 (4m) (a), 49.95 (11), 49.96, 59.07 (97), 60.23 (25), 66.184, 71.54 (2) (a) (intro.), 106.21 (1) (g), 106.215 (1) (fm), ~~108.16 (2) (b)~~, ~~108.18 (1) (a)~~, ~~108.19 (1) and (1m)~~, 108.20 (2m), 111.70 (1) (a), 115.347, 115.40 (4) (b), 115.40 (4) (c) 1., 115.45 (3m) (a) 2., 119.82 (1) (a) 2., 120.13 (2) (g), 120.13 (14), 120.13 (27m), 185.981 (4t), 185.983 (1) (intro.), 230.04 (13) (a) and (e) 1. and 2., 230.147 (1), 230.147 (2), 230.147 (3), 600.01 (2) (b), 628.34 (3) (a), 628.34 (3) (b), 632.76 (2) (a), 632.896 (4), 767.045 (1) (c) 1., 767.075 (1) (c), 767.077 (intro.), 767.078 (1) (a) 2., 767.15 (1), 767.24 (6) (c), 767.29 (1m) (c), 767.29 (2), 767.29 (4), 767.32 (1) (a), 767.32 (1) (b) 1., 767.47 (6) (a) and (b), 799.40 (4), 814.61 (13) and 948.22 (4) (b); to repeal and recreate 20.435 (4) (d), 20.445 (3) (d), 48.57 (3m) (a), (am) (intro.), (d) and (e), 49.191 (3) (a) and (b) and 49.193 (8) (bm); and to create 16.39 (4) (bm), 16.75 (6) (bm), 16.841 (1) (b), ~~20.445 (1) (gg)~~, 20.445 (3) (dy), 20.445 (3) (dz), 20.445 (3) (e), 20.445 (3) (em), 20.445 (3) (jm), 20.445 (3) (my), 40.51 (8m), 46.215 (1g), 46.22 (1g), 46.261, 46.98 (1) (at), 46.98 (1) (bd) and (bf), 46.98 (1) (cm), 46.98 (4) (am), ~~46.98 (4) (b) 1., 2. and 3.~~, ~~46.98 (4) (bm)~~, ~~46.98 (4) (bc)~~, ~~46.98 (4) (bu)~~, 46.98 (4) (dg) and (dm), 46.98 (6), 48.40 (1m), 48.57 (3m), 48.57 (3p), 48.57 (3t), 48.65 (1m), 48.651 (1) (a) and (b), 48.651 (2), 49.001 (9), 49.124 (1m) (b) and (bm), 49.124 (1m) (c), 49.124 (1m) (cm), 49.124 (1p), 49.138

Vetoed
In Part

* Section 991.11, WISCONSIN STATUTES 1993-94: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state (the date of publication may not be more than 10 working days after the date of enactment).

(title), (2) and (3), 49.141, 49.143, 49.145, 49.146, 49.147, 49.148, 49.149, 49.151, 49.152, 49.153, 49.155, 49.157, 49.159, 49.161, 49.185, 49.19 (4e) (c), 49.19 (20) (b), 49.193 (2) (am), 49.193 (4) (k) 1m., 49.193 (4m), 49.193 (6) (e), 49.193 (9m) (ag), 49.193 (12), 49.21 (1) (c), 49.25 (10), 49.26 (1) (h) 1s., 49.27 (13), 49.32 (10) (b), 49.46 (1) (a) 4m., 49.46 (1) (a) 6m., 49.46 (1) (a) 16., 49.46 (1) (am) 3., 49.46 (1) (cb), 49.46 (1) (co) 4., 49.46 (1) (cr) 2., 49.46 (1) (e) 2., 49.465 (7), 49.47 (4) (ag), 49.47 (4) (an), 49.77 (3v), 71.07 (9e) (em), 102.07 (17), 102.07 (18), 102.29 (8m), 108.16 (6) (L), 108.16 (11), 108.22 (1) (g), 111.70 (4) (n), 111.91 (2) (k), 227.01 (13) (zs), 632.745, 632.747, 632.749 and 767.075 (1) (cm) of the statutes; relating to: creating a new public assistance program for families with dependent children, modifying the sunset of the aid to families with dependent children program, modifying administration of the food stamp program, modifying the eligibility requirements of certain recipients of medical assistance, creating a program to provide payment to a relative, other than a parent, who is providing care and maintenance for a child, modifying the postsecondary education and vocational skills training option in the job opportunities and basic skills program, applying the learnfare provisions statewide to certain individuals who are 6 to 19 years of age, background investigations of day care center licensees, contractors, employes, prospective employes and adult residents, modifying eligibility requirements for low-income and at-risk child care, grants to certain individuals for vocational training or education, group health insurance reform, creating a tax exemption, making modifications to the job opportunities and basic skills program, making modifications to the food stamp employment and training program, allowing advance payments of the earned income tax credit, providing an exemption from emergency rule procedures, providing an exemption from rule-making procedures, granting rule-making authority, making appropriations and providing penalties.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 2h. 13.94 (4) (a) 1. of the statutes, as affected by 1995 Wisconsin Acts 27 and 56, is amended to read:

13.94 (4) (a) 1. Every state department, board, examining board, affiliated credentialing board, commission, independent agency, council or office in the executive branch of state government; all bodies created by the legislature in the legislative or judicial branch of state government; any public body corporate and politic created by the legislature including specifically a professional baseball park district; every Wisconsin works agency under subch. III of ch. 49; every provider of medical assistance under subch. IV of ch. 49; technical college district boards; development zones designated under s. 560.71; every county department under s. 51.42 or 51.437; every nonprofit corporation or cooperative to which moneys are specifically appropriated by state law; and every corporation, institution, association or other organization which receives more than 50% of its annual budget from appropriations made by state law, including subgrantee or subcontractor recipients of such funds.

SECTION 2a. 13.94 (4) (b) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

13.94 (4) (b) In performing audits of Wisconsin works agencies under subch. III of ch. 49, providers of medical assistance under subch. IV of ch. 49, corporations, institutions, associations, or other organizations, and their subgrantees or subcontractors, the legislative audit bureau shall audit only the records and operations of such providers and organizations which pertain to the

receipt, disbursement or other handling of appropriations made by state law.

SECTION 3. 16.39 (4) (bm) of the statutes is created to read:

16.39 (4) (bm) A Wisconsin works group, as defined in s. 49.141 (1) (s), in which one member is a participant under s. 49.147 (3) to (5).

SECTION 4. 16.75 (6) (bm) of the statutes is created to read:

16.75 (6) (bm) If the secretary determines that it is in the best interest of this state to do so, he or she may waive any requirement under subs. (1) to (5) and ss. 16.705 and 16.72 (2) (e) and (f) and (5) with respect to any contract entered into by the department of health and social services under s. 49.143, if the department of health and social services presents the secretary with a process for the procurement of contracts under s. 49.143 and the secretary approves the process.

SECTION 5. 16.75 (6) (bm) of the statutes, as created by 1995 Wisconsin Act (this act), is amended to read:

16.75 (6) (bm) If the secretary determines that it is in the best interest of this state to do so, he or she may waive any requirement under subs. (1) to (5) and ss. 16.705 and 16.72 (2) (e) and (f) and (5) with respect to any contract entered into by the department of ~~health and social services~~ industry, labor and job development under s. 49.143, if the department of ~~health and social services~~ industry, labor and job development presents the secretary with a process for the procurement of contracts under s. 49.143 and the secretary approves the process.

SECTION 6. 16.841 (1) of the statutes is renumbered 16.841 (1) (intro.) and amended to read:

16.841 (1) (intro.) In this section, "agency";
(a) "Agency" has the meaning given in s. 16.70 (1).

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SECTION 7. 16.841 (1) (b) of the statutes is created to read:

16.841 (1) (b) "Child care provider" means a provider licensed under s. 48.65, certified under s. 48.651 or established or contracted for under s. 120.13 (14).

SECTION 8. 16.841 (2) of the statutes is amended to read:

SECTION 9. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

			1995-96	1996-97
20.435	Health and social services, department of			
(4)	ECONOMIC SUPPORT			
(d)	Income maintenance payments to individuals	GPR B	124,300,000	-0-
20.445	Industry, labor and job development, department of			
(3)	ECONOMIC SUPPORT			
(d)	Income maintenance payments to individuals	GPR B	-0-	109,800,000
(dy)	Kinship and foster care assessments	GPR A	-0-	1,200,000
(dz)	Wisconsin works administration and benefits	GPR A	-0-	-0-
(e)	Job access loans	GPR B	-0-	-0-
(em)	Employment skills advancement program	GPR A	-0-	-0-
(jm)	Wisconsin works fees	PR A	-0-	-0-

SECTION 10. 20.435 (1) (b) of the statutes, as affected by 1995 Wisconsin Act 27, section 808, is amended to read:

20.435 (1) (b) *Medical assistance program benefits.* Biennially, the amounts in the schedule to provide the state share of medical assistance program benefits administered under s. 49.45, to provide medical assistance program benefits administered under s. 49.45 that are not also provided under par. (o), to provide health care coverage under s. 49.153 and to fund the pilot project under s. 46.27 (9) and (10). Notwithstanding s. 20.002 (1), the department may transfer from this appropriation to the appropriation under sub. (3) (kb) funds in the amount of and for the purposes specified in s. 46.485. Notwithstanding ss. 20.001 (3) (b) and 20.002 (1), the department may credit or deposit into this appropriation and may transfer between fiscal years funds that it transfers from the appropriation under sub. (3) (kb) for the purposes specified in s. 46.485 (3r).

SECTION 11. 20.435 (1) (bm) of the statutes is amended to read:

20.435 (1) (bm) *Medical assistance administration.* Biennially, the amounts in the schedule to provide the

16.841 (2) The department shall contract with one or more child care providers, ~~as defined in s. 46.98 (1) (am)~~, to supplement the cost of providing suitable space for child care services to be offered to the children of employees of agencies whose work stations are located in an area designated by the department comprising the central portion of the city of Madison.

state share of administrative contract costs for the medical assistance program under s. 49.45 and health care coverage under s. 49.153 and to reimburse insurers for their costs under s. 49.475. No state positions may be funded in the department of health and social services from this appropriation, except positions for the performance of duties under a contract in effect before January 1, 1987, related to the administration of the medical assistance program between the subunit of the department primarily responsible for administering the medical assistance program and another subunit of the department.

SECTION 12. 20.435 (1) (o) of the statutes is amended to read:

20.435 (1) (o) *Federal aid; medical assistance.* All federal moneys received for meeting costs of medical assistance administered under s. 49.45 and for meeting the costs of health care coverage under s. 49.153.

SECTION 15c. 20.435 (4) (d) of the statutes, as affected by 1995 Wisconsin Act 27, section 848, is repealed and recreated to read:

20.435 (4) (d) *Income maintenance payments to individuals.* Biennially, the amounts in the schedule to pro-

vide state aid for county administered public assistance programs under s. 49.52 and to provide reimbursement to counties for the cost of foster care and treatment foster care provided by nonlegally responsible relatives under state or county administered programs, if the relatives are licensed to operate foster homes or treatment foster homes under s. 48.62. Total payments under this paragraph to a county for the reimbursement of nonlegally responsible relative foster care costs incurred in a calendar year may not exceed the amount for which the county was reimbursed under this paragraph for nonlegally responsible relative foster care costs incurred in 1994. Disbursements for public assistance may be made directly from this appropriation including the state and county share under s. 46.03 (20) (a). Refunds received relating to payments made under s. 46.03 (20) (a) shall be returned to this appropriation. The receipt of the counties' payments for their share under s. 46.03 (20) shall be returned to this appropriation.

Vetoed In Part SECTION 21b. 20.445 (1) (gd) of the statutes is amended to read:

20.445 (1) (gd) *Unemployment interest and penalty payments.* From the moneys received as interest and penalties collected under ss. 108.04 (11) (c) and 108.22 and assessments under s. 108.19 (1m), all moneys not appropriated under par. (ge) and (gf) for the payment of benefits specified in s. 108.07 (5) and 1987 Wisconsin Act 58, section 132 (1) (c), for the payment of interest to employers under s. 108.17 (3m), for the cost of administration of s. 108.16 (11) and for the payment of interest due on advances from the federal unemployment account under title XII of the social security act to the unemployment reserve fund, and for payments made to the unemployment reserve fund to obtain a lower interest rate or deferral of interest payments on these advances, except as otherwise provided in s. 108.20.

SECTION 21c. 20.445 (1) (gg) of the statutes is created to read:

20.445 (1) (gg) *Earned income tax credits.* A sum sufficient to pay estimated earned income tax credits lawfully claimed under s. 108.16 (11).

SECTION 21d. 20.445 (3) (d) of the statutes, as affected by 1995 Wisconsin Act 27, section 849, is repealed and recreated to read:

20.445 (3) (d) *Income maintenance payments to individuals.* Biennially, the amounts in the schedule to provide state aid for county administered public assistance programs for which reimbursement is provided under s. 49.33 (9) and for kinship care under s. 48.57 (3m) and to provide reimbursement to counties for the cost of foster care and treatment foster care provided by nonlegally responsible relatives under state or county administered programs, if the relatives are licensed to operate foster homes or treatment foster homes under s. 48.62. Total payments under this paragraph to a county for the reim-

bursement of nonlegally responsible relative foster care costs incurred in a calendar year may not exceed the amount for which the county was reimbursed under this paragraph for nonlegally responsible relative foster care costs incurred in 1994. Disbursements for public assistance may be made directly from this appropriation including the state and county share under s. 46.03 (20) (a). Refunds received relating to payments made under s. 46.03 (20) (a) shall be returned to this appropriation. The receipt of the counties' payments for their share under s. 46.03 (20) shall be returned to this appropriation.

SECTION 21f. 20.445 (3) (dy) of the statutes is created to read:

20.445 (3) (dy) *Kinship and foster care assessments.* The amounts in the schedule for foster care assessments and for kinship care assessments under s. 48.57 (3m).

SECTION 21h. 20.445 (3) (dz) of the statutes is created to read:

20.445 (3) (dz) *Wisconsin works administration and benefits.* The amounts in the schedule for administration and benefit payments under Wisconsin works under ss. 49.141 to 49.161.

SECTION 21m. 20.445 (3) (e) of the statutes is created to read:

20.445 (3) (e) *Job access loans.* Biennially, the amounts in the schedule for job access loans under s. 49.147 (6).

SECTION 21r. 20.445 (3) (em) of the statutes is created to read:

20.445 (3) (em) *Employment skills advancement program.* The amounts in the schedule for the employment skills advancement program under s. 49.185.

SECTION 22. 20.445 (3) (jm) of the statutes is created to read:

20.445 (3) (jm) *Wisconsin works fees.* The amounts in the schedule for administration and benefit payments under Wisconsin works under ss. 49.141 to 49.161. All moneys received from fees and other payments under ss. 49.141 to 49.161 shall be credited to this appropriation.

SECTION 23. 20.445 (3) (L) of the statutes, as affected by 1995 Wisconsin Act 27, section 878, is amended to read:

20.445 (3) (L) *Welfare fraud and error reduction; state operations.* From the moneys received as the state's share of the recovery of overpayments and incorrect payments under ss. 49.125 (2), 49.191 (3) (c), 49.195 and 49.497 (1), the amounts in the schedule for the department's activities to reduce error and fraud in the food stamp, aid to families with dependent children, Wisconsin works program and medical assistance programs.

SECTION 24. 20.445 (3) (Lm) of the statutes, as affected by 1995 Wisconsin Act 27, section 880, is amended to read:

20.445 (3) (Lm) *Welfare fraud and error reduction; local assistance.* From the moneys received as the state's

share of the recovery of overpayments and incorrect payments under ss. 49.125 (2), 49.191 (3) (c), 49.195 and 49.497 (1), all moneys not appropriated under par. (L) for county and tribal activities to reduce error and fraud in the food stamp, aid to families with dependent children, Wisconsin works program and medical assistance program.

SECTION 24d. 20.445 (3) (my) of the statutes is created to read:

20.445 (3) (my) *Federal program assistance.* All moneys received from the federal government or any of its agencies for foster care and kinship care investigations and assessments, for the purposes for which received.

SECTION 25. 40.51 (8) of the statutes is amended to read:

40.51 (8) Every health care coverage plan offered by the state under sub. (6) shall comply with ss. 631.89, 631.90, 631.93 (2), 632.72 (2), 632.745 (1) to (3) and (5), 632.747, 632.87 (3) to (5), 632.895 (5m) and (8) to (10) and 632.896.

SECTION 26. 40.51 (8m) of the statutes is created to read:

40.51 (8m) Every health care coverage plan offered by the group insurance board under sub. (7) shall comply with ss. 632.745 (1) to (3) and (5) and 632.747.

Vetoed In Part read: SECTION 27. 46.03 (21) of the statutes is amended to

46.03 (21) DAY CARE STANDARDS. Promulgate rules establishing standards for the certification of day care providers under s. 48.651. The standards established under this subsection shall be less restrictive than those for day care providers licensed under s. 48.65 and shall be in accordance with s. 48.651. The standards established under this subsection shall clearly differentiate the 2 levels of certified family day care specified under s. 48.651 and shall clearly differentiate the 2 levels of certified family day care from any levels of licensed day care established under s. 48.67.

SECTION 30. 46.215 (1) (k) of the statutes is amended to read:

46.215 (1) (k) ~~To~~ Except as provided under sub. (1g), certify eligibility for and issue food coupons to needy households in conformity with the federal food stamp act of 1964 as amended, and, in addition, the county department of social services may certify eligibility for and distribute surplus commodities and food stuffs.

SECTION 30g. 46.215 (1g) of the statutes is created to read:

46.215 (1g) ADMINISTRATION OF FOOD STAMPS FOR PARTICIPANTS IN WISCONSIN WORKS. The Wisconsin works agency, as defined in s. 49.001 (9), shall certify eligibility for and distribute food coupons under s. 49.143 (2) (e) to eligible participants in the Wisconsin works program under subch. III of ch. 49.

SECTION 31. 46.22 (1) (b) 2. a. of the statutes, as created by 1995 Wisconsin Act 27, is amended to read:

46.22 (1) (b) 2. a. To administer aid to families with dependent children under s. 49.19. This subdivision paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 32. 46.22 (1) (b) 2. d. of the statutes, as created by 1995 Wisconsin Act 27, is amended to read:

46.22 (1) (b) 2. d. ~~To~~ Except as provided in sub. (1g), to certify eligibility for and issue food coupons to needy households in conformity with 7 USC 2011 to 2029.

SECTION 32m. 46.22 (1g) of the statutes is created to read:

46.22 (1g) ADMINISTRATION OF FOOD STAMPS FOR PARTICIPANTS IN WISCONSIN WORKS. The Wisconsin works agency, as defined in s. 49.001 (9), shall certify eligibility for and distribute food coupons under s. 49.143 (2) (e) to eligible participants in the Wisconsin works program under subch. III of ch. 49.

SECTION 33. 46.25 (6) of the statutes is amended to read:

46.25 (6) The department shall establish, pursuant to federal and state laws, rules and regulations, a uniform system of fees for services provided under this section to individuals not receiving aid under s. ~~46.261, 49.19 or 49.47~~ or benefits under s. 49.148, 49.153 or 49.155 and to individuals not receiving kinship care payments under s. 48.57 (3m). The system of fees may take into account an individual's ability to pay. Any fee paid and collected under this subsection may be retained by the county providing the service except for the fee specified in 42 USC 653 (e) (2) for federal parent locator services.

SECTION 34. 46.25 (7m) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

46.25 (7m) The department may contract with or employ a collection agency or other person to enforce a support obligation of a parent who is delinquent in making support payments and may contract with or employ an attorney to appear in an action in state or federal court to enforce such an obligation. To pay for the department's administrative costs of implementing this subsection, the department may charge a fee to counties, retain up to 50% of any incentive payment made to this state under 42 USC 658 for a collection under this subsection, and retain 30% of this state's share of a collection made under this subsection on behalf of a recipient of aid to families with dependent children or a recipient of kinship care payments under s. 48.57 (3m).

SECTION 36. 46.258 (1) of the statutes, as affected by 1995 Wisconsin Act 27, section 2158b, is amended to read:

46.258 (1) From the appropriation under s. 20.435 (3) (cb), the department shall award grants to counties for programs to revise child support orders. Each county receiving a grant shall review child support orders awarded to persons who receive benefits under s. 48.57 (3m) or

49.148 or whose children receive benefits under s. 49.19 and to persons who do not receive benefits under s. 48.57 (3m) or 49.148 and whose children do not receive benefits under s. 49.19 and shall initiate actions to revise the orders based on that review. Each county receiving a grant shall review child support orders awarded to persons who receive benefits under s. 48.57 (3m) or 49.148 or whose children receive benefits under s. 49.19 and child support orders awarded to persons who do not receive benefits under s. 48.57 (3m) or 49.148 and whose children do not receive benefits under s. 49.19 in proportion to the number of those 2 categories of orders in the county's child support case load. Before a county may initiate an action to revise a child support order under this subsection for a person who does not receive benefits under s. 48.57 (3m) or 49.148 and whose children do not receive benefits under s. 49.19, the custodial parent of the children must voluntarily consent to the revision.

SECTION 37. 46.258 (2) (a) 1. of the statutes is amended to read:

46.258 (2) (a) 1. Provides an incentive for a county to increase its child support collections for persons who receive benefits under s. 48.57 (3m) or 49.148 or whose children receive benefits under s. 46.261 or 49.19 as well as for persons who do not receive benefits under s. 48.57 (3m) or 49.148 and whose children do not receive benefits under s. 46.261 or 49.19.

SECTION 37m. 46.261 of the statutes is created to read:

46.261 Foster care aid. (1) DEFINITION. In this section, "dependent child" means a child under the age of 18 or, if the child is a full-time student at a secondary school or its vocational or technical equivalent and is reasonably expected to complete the program before reaching 19, is under the age of 19, who meets all of the following conditions:

(a) The child is living in a foster home or treatment foster home licensed under s. 48.62 if a license is required under that section, in a foster home or treatment foster home located within the boundaries of a federally recognized American Indian reservation in this state and licensed by the tribal governing body of the reservation, in a group home licensed under s. 48.625 or in a child caring institution licensed under s. 48.60, and has been placed in the foster home, treatment foster home, group home or institution by a county department under s. 46.215, 46.22 or 46.23, by the department or by a federally recognized American Indian tribal governing body in this state under an agreement with a county department under s. 46.215, 46.22 or 46.23.

(b) The child would qualify for aid under s. 49.19, 1993 stats.

(2) AID PAYMENTS. (a) A county department under s. 46.215, 46.22 or 46.23 shall grant aid on behalf of a dependent child to any of the following:

1. A nonrelative who cares for the dependent child in a foster home or treatment foster home having a license under s. 48.62, in a foster home or treatment foster home located within the boundaries of a federally recognized American Indian reservation in this state and licensed by the tribal governing body of the reservation or in a group home licensed under s. 48.625, regardless of the cause or prospective period of dependency. The state shall reimburse counties pursuant to the procedure under s. 46.495 (2) and the percentage rate of participation set forth in s. 46.495 (1) (d) for aid granted under this section except that if the child does not have legal settlement in the granting county, state reimbursement shall be at 100%. The county department under s. 46.215 or 46.22 shall determine the legal settlement of the child. A child under one year of age shall be eligible for aid under this subsection irrespective of any other residence requirement for eligibility within this section.

2. A county, on behalf of a child in the legal custody of a county department under s. 46.215, 46.22 or 46.23 or on behalf of a child who was removed from the home of a relative, as defined under s. 48.02 (15), as a result of a judicial determination that continuance in the home of a relative would be contrary to the child's welfare for any reason when such child is placed in a licensed child caring institution by the county department. Reimbursement shall be made by the state pursuant to subd. 1.

3. A county, when the child is placed in a licensed foster home, treatment foster home, group home or child caring institution by a licensed child welfare agency or by a federally recognized American Indian tribal governing body in this state or by its designee, if the child is in the legal custody of the county department under s. 46.215, 46.22 or 46.23 or if the child was removed from the home of a relative, as defined under s. 48.02 (15), as a result of a judicial determination that continuance in the home of the relative would be contrary to the child's welfare for any reason and the placement is made pursuant to an agreement with the county department.

4. A foster home or treatment foster home, a group home licensed under s. 48.625 or a child caring institution by the state when the child is in the custody or guardianship of the state, when the child is a ward of an American Indian tribal court in this state and the placement is made under an agreement between the department and the tribal governing body or when the child was part of the state's direct service case load and was removed from the home of a relative, as defined under s. 48.02 (15), as a result of a judicial determination that continuance in the home of a relative would be contrary to the child's welfare for any reason and the child is placed by the department.

(b) Notwithstanding par. (a), aid under this section may not be granted for placement of a child in a foster home or treatment foster home licensed by a federally

recognized American Indian tribal governing body, for placement of a child in a foster home, treatment foster home or child caring institution by a tribal governing body or its designee, for the placement of a child who is a ward of a tribal court if the tribal governing body is receiving or is eligible to receive funds from the federal government for that type of placement or for placement of a child in a group home licensed under s. 48.625.

(3) ASSIGNMENT OF SUPPORT. When any person applies for or receives aid under this section, any right of the parent or any dependent child to support or maintenance from any other person, including any right to unpaid amounts accrued at the time of application and any right to amounts accruing during the time aid is paid under this section, is assigned to the state. If a minor who is a beneficiary of aid under this section is also the beneficiary of support under a judgment or order that includes support for one or more children not receiving aid under this section, any support payment made under the judgment or order is assigned to the state in the amount that is the proportionate share of the minor receiving aid under this section, except as otherwise ordered by the court on the motion of a party.

SECTION 43m. 46.495 (1) (d) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

46.495 (1) (d) From the appropriations under s. 20.435 (7) (b) and (c), the department shall distribute the funding for social services, including funding for foster care or treatment foster care of a child receiving aid on whose behalf aid is received under s. ~~49.19 46.261~~, to county departments under ss. 46.215, 46.22 and 46.23 as provided under s. 46.40. County matching funds are required for the distributions under s. 46.40 (2), (4m) and (8). Each county's required match for a year equals 9.89% of the total of the county's distributions for that year for which matching funds are required plus the amount the county was required by s. 46.26 (2) (c), 1985 stats., to spend for juvenile delinquency-related services from its distribution for 1987. Matching funds may be from county tax levies, federal and state revenue sharing funds or private donations to the county that meet the requirements specified in s. 51.423 (5). Private donations may not exceed 25% of the total county match. If the county match is less than the amount required to generate the full amount of state and federal funds distributed for this period, the decrease in the amount of state and federal funds equals the difference between the required and the actual amount of county matching funds.

SECTION 45. 46.979 (1) of the statutes is amended to read:

46.979 (1) In this section, "child care provider" has ~~the meaning given in s. 46.98 (1) (am)~~ means a provider licensed under s. 48.65, certified under s. 48.651 or established or contracted for under s. 120.13 (14).

SECTION 45m. 46.98 (1) (at) of the statutes is created to read:

46.98 (1) (at) "Educational program" means high school or a high school equivalency program or a course of study meeting the standards established under s. 115.29 (4) for the granting of a declaration of equivalency of high school graduation.

SECTION 50. 46.98 (1) (b) of the statutes is amended to read:

46.98 (1) (b) "Gainfully employed" means working, ~~or seeking employment or participating in a training or educational program designed to lead directly to paid employment.~~

SECTION 51. 46.98 (1) (bd) and (bf) of the statutes are created to read:

46.98 (1) (bd) "Level I certified family day care provider" means a day care provider certified under s. 48.651 (1) (a).

(bf) "Level II certified family day care provider" means a day care provider certified under s. 48.651 (1) (b).

SECTION 51c. 46.98 (1) (cm) of the statutes is created to read:

46.98 (1) (cm) "Poverty line" has the meaning given in s. 46.30 (1) (c).

SECTION 52. 46.98 (2) (a) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

46.98 (2) (a) The department shall distribute the funds allocated under s. 46.40 (1) and ~~(2m)-(e) (4m)~~ for at-risk, low-income and respite child care services under subs. (2m) and (4g) to county departments under s. 46.215, 46.22 or 46.23. In addition, the department shall distribute the funds allocated under s. 46.40 (1), ~~(2m)-(e) and (4m)~~ for low-income and respite at-risk child care services under ~~sub. subs. (2m) and (3)~~ to private non-profit child care providers who provide child care for the children of migrant workers and to county departments under s. 46.215, 46.22 or 46.23.

SECTION 53. 46.98 (2m) (a) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

46.98 (2m) (a) Except as provided in sub. (2) (c), funds distributed under sub. (2) for at-risk child care may only be used for the purposes specified in this paragraph. The funds shall be used to provide care for all or part of a day for children under age 13 of persons who need child care to be able to work, who are not receiving aid to families with dependent children and who are at risk of becoming eligible for aid to families with dependent children if child care under this subsection is not provided. No funds distributed under sub. (2) may be used to provide care for a child by a person who resides with the child.

SECTION 54. 46.98 (3) (c) of the statutes is amended to read:

46.98 (3) (c) From the funds distributed under sub. (2) for low-income child care, a county may provide day care services itself or it may purchase day care services from a child care provider. In addition, from the funds

distributed under sub. (2) for low-income child care, each county shall, subject to the availability of funds, provide day care by offering to each eligible parent a voucher for the payment of day care services provided by a child care provider. Each county shall allocate all or a portion of its day care funding for payment of vouchers. An eligible parent may choose whether the care will be provided by a Level I certified family day care provider or a Level II certified family day care provider or in a day care center, in the home of another person or, subject to the county's approval, in the parent's home. A parent who uses vouchers for the payment of day care services may supplement the maximum rate for day care services set under sub. (4) (d), (dg) or (dm) or, if a higher rate for day care services is set under sub. (4) (e), the rate set under sub. (4) (e), whichever is applicable.

SECTION 55g. 46.98 (4) (a) 2. of the statutes is amended to read:

46.98 (4) (a) 2. A ~~parent who is gainfully employed, or who is less than 20 years of age and is enrolled in an educational program, who is in need of child care services and whose family income is equal to or less than 75% of the state median income.~~ Except as provided in par. (am), a parent who is gainfully employed, or who is less than 20 years of age and is enrolled in an educational program, who is in need of child care services and whose family income is equal to or less than 75% of the state median income. The department shall annually determine the state median income.

SECTION 55m. 46.98 (4) (am) of the statutes is created to read:

46.98 (4) (am) A parent who is gainfully employed, or who is less than 20 years of age and is enrolled in an educational program, who is in need of child care services and who applies for aid on or after the effective date of this paragraph [revisor inserts date], is eligible for aid under this section if the family income of the applicant is equal to or less than 165% of the poverty line.

Vetoed In Part SECTION 56. 46.98 (4) (b) of the statutes is renumbered 46.98 (4) (b) (intro.) and amended to read:

Vetoed In Part 46.98 (4) (b) (intro.) ~~Parents Subject to a modification made pursuant to par. (bm), and except as provided in par. (bt), individuals receiving aid under sub. (3) whose family income is equal to or greater than 50% of the state median income are liable for the following percentages of the cost of child care received, payable in accordance with a schedule developed by the department based on ability to pay:~~ Parents Subject to a modification made pursuant to par. (bm), and except as provided in par. (bt), individuals receiving aid under sub. (3) whose family income is equal to or greater than 50% of the state median income are liable for the following percentages of the cost of child care received, payable in accordance with a schedule developed by the department based on ability to pay:

Vetoed In Part SECTION 56c. 46.98 (4) (b) 1, 2, and 3. of the statutes are created to read:

- 1. For an individual with an income equal to or less than 75% of the poverty line, 7.5%.
- 2. For an individual with an income greater than 75% of the poverty line and not greater than 95% of the poverty line, 10%.
- 3. For an individual with an income greater than 95% of the poverty line, 10%, plus 1.2857% for every percentage point by which the individual's income exceeds 95% of the poverty line, except that no individual may be required to pay more than 100% of the cost of the child care.

SECTION 56d. 46.98 (4) (bm) of the statutes is created to read: Vetoed In Part

46.98 (4) (bm) The department may submit a proposal to the joint committee on finance to modify the percentages under par. (b). If, within 14 days after the date of receipt of the department's proposal, the cochairpersons of the committee do not notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed modifications, the department may make the modifications specified in the proposal. If, within 14 days after the date of receipt of the department's proposal, the cochairpersons of the committee notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed modifications, the department may not make the modifications specified in the proposal until the committee approves the proposal.

SECTION 56f. 46.98 (4) (bt) of the statutes is created to read:

46.98 (4) (bt) An individual receiving aid under sub. (3) on the effective date of this paragraph ... [revisor inserts date], shall be liable for a portion of the cost of child care calculated as follows:

- 1. The department shall determine the amount for which the individual was liable under s. 46.98 (4) (b), 1993 stat., immediately before the effective date of this paragraph ... [revisor inserts date].
- 2. The department shall determine the amount for which the individual is liable under par. (b).
- 3. The department shall subtract the amount determined under subd. 1. from the amount determined under subd. 2.
- 4. If the amount determined under subd. 3. is zero or less, the individual's liability shall be the amount determined under par. (b). If the amount determined under subd. 3. is greater than zero, the department shall add to the amount determined under subd. 1. the product of the amount determined under subd. 3. multiplied by the following percentage:

- a. Beginning on July 1, 1996, or on the effective date of this subd. 4. a. ... [revisor inserts date], whichever is later, and ending on October 31, 1996, 25%.
- b. Beginning on November 1, 1996, and ending on February 28, 1997, 50%.
- c. Beginning on March 1, 1997, and ending on June 30, 1997, or on the day specified under s. 49.141 (2) (d), whichever is later, 75%.

SECTION 56g. 46.98 (4) (bu) of the statutes is created to read:

46.98 (4) (bu) Paragraph (bt) does not apply beginning on July 1, 1997, or on the date specified under s. 49.141 (2) (d), whichever is later.

SECTION 57. 46.98 (4) (d) of the statutes is amended to read:

46.98 (4) (d) Each county shall annually set a maximum rate that it will pay for licensed day care services

provided to eligible parents, other than licensed day care services for which a rate, if any, is established under par. (e). A county shall set its maximum rate under this paragraph so that at least 75% of the number of places for children within the licensed or certified capacity of all child care providers in that county can be purchased at or below that maximum rate. The department shall annually review each county's rate and shall approve it if the department finds that the rate is set at a reasonable and customary level which does not preclude an eligible parent from having a reasonable selection of child care providers. The department shall promulgate by rule a procedure and criteria for approving county rates.

SECTION 58. 46.98 (4) (dg) and (dm) of the statutes are created to read:

46.98 (4) (dg) Each county shall set a maximum rate that it will pay for Level I certified family day care providers for services provided to eligible parents. The maximum rate set under this paragraph may not exceed 75% of the rate established under par. (d).

(dm) Each county shall set a maximum rate that it will pay for Level II certified family day care providers for services provided to eligible parents. The maximum rate set under this paragraph may not exceed 50% of the rate established under par. (d).

SECTION 59. 46.98 (4g) (b) of the statutes is amended to read:

46.98 (4g) (b) From the funds distributed under sub. (2) for respite child care, a county may provide child care services itself or it may purchase child care services from a child care provider. In addition, from the funds distributed under sub. (2) for respite child care, each county shall, subject to the availability of funds, provide child care by offering to each eligible parent a voucher for the payment of child care services provided by a child care provider. Each county shall allocate all or a portion of its child care funding for payment of vouchers. A parent who uses vouchers for the payment of child care services may supplement the maximum rate for child care services set under sub. (4) (d), (dg) or (dm) or, if a higher rate for child care services is set under sub. (4) (e), the rate set under sub. (4) (e), whichever is applicable. The county may choose the child care provider for a child whose child care is funded under par. (a).

SECTION 60. 46.98 (6) of the statutes is created to read:

46.98 (6) SUNSET. This section does not apply beginning on the first day of the 6th month beginning after the date specified in the notice under s. 49.141 (2) (d).

SECTION 61. 46.986 (1) (b) of the statutes is amended to read:

46.986 (1) (b) "Child care provider" has the meaning given in s. 46.98 (1) (am) means a provider licensed under s. 48.65, certified under s. 48.651 or established or contracted for under s. 120.13 (14).

SECTION 62. 46.986 (1) (m) of the statutes is amended to read:

46.986 (1) (m) "Parent" has the meaning given in s. 46.98 (1) (e) means a parent, guardian, foster parent, treatment foster parent, legal custodian or a person acting in the place of a parent.

SECTION 63. 46.987 (1) (a) of the statutes is amended to read:

46.987 (1) (a) "Child care provider" has the meaning given in s. 46.98 (1) (am) means a provider licensed under s. 48.65, certified under s. 48.651 or established or contracted for under s. 120.13 (14).

SECTION 64. 46.987 (2) (a) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

46.987 (2) (a) From the allocation under s. 46.979 (2) (c) 4. the department may award grants to child care providers that meet the quality of care standards established under s. 46.98 (4) (e) or 49.155 (6) to improve the retention of skilled and experienced child care staff. In awarding grants under this subsection, the department shall consider the applying child care provider's total enrollment of children and average enrollment of children who receive or are eligible for publicly-funded care from the child care provider.

SECTION 65. 46.995 (2) (c) of the statutes is amended to read:

46.995 (2) (c) Highest rate, by county population, of participation in the aid to families with dependent children program under s. 49.19 or the Wisconsin works program under s. 49.147 (3) to (5).

SECTION 66. 48.40 (1m) of the statutes is created to read:

48.40 (1m) "Kinship care relative" means a person receiving payments under s. 48.57 (3m) (am) for providing care and maintenance for a child.

SECTION 67. 48.427 (3) (a) 5. of the statutes is amended to read:

48.427 (3) (a) 5. A relative with whom the child resides, if the relative has filed a petition to adopt the child or if the relative is a kinship care relative.

SECTION 68. 48.428 (2) of the statutes is amended to read:

48.428 (2) When a court places a child in sustaining care after an order under s. 48.427, the court shall transfer legal custody of the child to the county department or a licensed child welfare agency, transfer guardianship of the child to an agency listed in s. 48.427 (3) (a) 1. to 4. and place the child in the home of a licensed foster parent or, licensed treatment foster parent or kinship care relative with whom the child has resided for 6 months or longer. Pursuant to such a placement, this licensed foster parent or, licensed treatment foster parent or kinship care relative shall be a sustaining parent with the powers and duties specified in sub. (3).

SECTION 69. 48.428 (4) of the statutes is amended to read:

48.428 (4) Before a licensed foster parent or, licensed treatment foster parent or kinship care relative may be appointed as a sustaining parent, the foster parent or, treatment foster parent or kinship care relative shall execute a contract with the agency responsible for providing services to the child, in which the foster parent or, treatment foster parent or kinship care relative agrees to provide care for the child until the child's 18th birthday unless the placement order is changed by the court because the court finds that the sustaining parents are no longer able or willing to provide the sustaining care or the court finds that the behavior of the sustaining parents toward the child would constitute grounds for the termination of parental rights if the sustaining parent was the birth parent of the child.

SECTION 70d. 48.57 (3m) of the statutes is created to read:

48.57 (3m) (a) In this subsection:

1. "Department" means the department of industry, labor and job development.

2. "Kinship care relative" means a stepparent, brother, sister, stepbrother, stepsister, first cousin, nephew, niece, aunt, uncle or any person of a preceding generation as denoted by the prefix of grand, great or great-great, whether by consanguinity, direct affinity or legal adoption, or the spouse of any person named in this subdivision, even if the marriage is terminated by death or divorce.

(am) From the appropriations under s. 20.445 (3) (d) and (p), the department shall make payments in the amount of \$215 per month to a kinship care relative who is providing care and maintenance for a child if all of the following conditions are met:

1. The kinship care relative applies to the county department for payments under this subsection and the county department determines that there is a need for the child to be placed with the kinship care relative and that the placement with the kinship care relative is in the best interests of the child.

2. The county department determines that the child meets one or more of the criteria specified in s. 48.13 or 938.13 or that the child would be at risk of meeting one or more of those criteria if the child were to remain in his or her home.

4. The county department conducts a background investigation under sub. (3p) of the kinship care relative, the employes and prospective employes of the kinship care relative who have or would have regular contact with the child for whom the payments would be made and any other adult resident of the kinship care relative's home to determine if the kinship care relative or adult resident has any arrests or convictions that could adversely affect the child or the kinship care relative's ability to care for the child.

4m. Subject to sub. (3p) (fm), the kinship care relative states that he or she does not have any arrests or convictions that could adversely affect the child or the kinship care relative's ability to care for the child and that no adult resident, as defined in sub. (3p) (a), and no employe or prospective employe of the kinship care relative who would have regular contact with the child has any arrests or convictions that could adversely affect the child or the kinship care relative's ability to care for the child.

5. The kinship care relative cooperates with the county department in the application process, including applying for other forms of assistance for which the kinship care relative may be eligible.

(b) 1. The county department shall refer to the attorney responsible for support enforcement under s. 59.458 (1) the name of the parent or parents of a child for whom a payment is made under par. (am).

2. When any kinship care relative of a child applies for or receives payments under this subsection, any right of the child or the child's parent to support or maintenance from any other person, including any right to unpaid amounts accrued at the time of application and any right to amounts accruing during the time that payments are made under this subsection, is assigned to the state. If a child who is the beneficiary of a payment under this subsection is also the beneficiary of support under a judgment or order that includes support for one or more children who are not the beneficiaries of payments under this subsection, any support payment made under the judgment or order is assigned to the state in the amount that is the proportionate share of the child who is the beneficiary of the payment made under this subsection, except as otherwise ordered by the court on the motion of a party.

(c) The county department shall require the parent or parents of a child for whom a payment is made under par. (am) to initiate or continue health care insurance coverage for the child.

(cm) A kinship care relative who receives a payment under par. (am) is not eligible to receive a payment under s. 48.62 (4).

(d) The county department shall review a placement of a child for which the department of industry, labor and job development makes payments under par. (am) not less than every 12 months after the department of industry, labor and job development begins making those payments to determine whether the conditions specified in par. (am) continue to exist. If those conditions do not continue to exist, the department shall discontinue making those payments.

(e) The department of health and family services, in consultation with the department of industry, labor and job development, shall determine whether the child is eligible for medical assistance under ss. 49.43 to 49.47, if no other health care insurance coverage is available to the child.

Vetoed
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SECTION 70g. 48.57 (3m) (a), (am) (intro.), (d) and (e) of the statutes, as created by 1995 Wisconsin Act ... (this act), are repealed and recreated to read:

48.57 (3m) (a) In this subsection, "kinship care relative" means a stepparent, brother, sister, stepbrother, stepsister, first cousin, nephew, niece, aunt, uncle or any person of a preceding generation as denoted by the prefix of grand, great or great-great, whether by consanguinity, direct affinity or legal adoption, or the spouse of any person named in this paragraph, even if the marriage is terminated by death or divorce.

(am) (intro.) From the appropriations under s. 20.435 (7) (b) and (o), the department shall reimburse counties for payments made under this subsection. A county department shall make payments in the amount of \$215 per month to a kinship care relative who is providing care and maintenance for a child if all of the following conditions are met:

(d) A county department shall review a placement of a child for which the county department makes payments under par. (am) not less than every 12 months after the county department begins making those payments to determine whether the conditions specified in par. (am) continue to exist. If those conditions do not continue to exist, the county department shall discontinue making those payments.

(e) The department shall determine whether the child is eligible for medical assistance under ss. 49.43 to 49.47, if no other health care insurance coverage is available to the child.

SECTION 71d. 48.57 (3p) of the statutes is created to read:

48.57 (3p) (a) In this subsection, "adult resident" means a person 18 years of age or over who lives at the home of a person who has applied for or is receiving payments under sub. (3m) with the intent of making that home his or her home or who lives for more than 30 days cumulative in any 6-month period at the home of a person who has applied for or is receiving payments under sub. (3m).

(b) 1. After receipt of an application for payments under sub. (3m), the county department, with the assistance of the department of justice, shall conduct a background investigation of the applicant.

2. The county department, with the assistance of the department of justice, may conduct a background investigation of any person who is receiving payments under sub. (3m) at the time of review under sub. (3m) (d) or at any other time that the county department considers to be appropriate.

(c) 1. After receipt of an application for payments under sub. (3m), the county department, with the assistance of the department of justice, shall, in addition to the investigation under par. (b), conduct a background investigation of all employes and prospective employes of the applicant who have or would have regular contact with

the child for whom those payments are being made and of each adult resident.

2. The county department, with the assistance of the department of justice, may conduct a background investigation of any of the employes or prospective employes of any person who is receiving payments under sub. (3m) who have or would have regular contact with the child for whom those payments are being made and of each adult resident at the time of review under sub. (3m) (d) or at any other time that the county department considers to be appropriate.

3. Before a person that is receiving payments under sub. (3m) may employ any person in a position in which that person would have regular contact with the child for whom those payments are being made or permit any person to be an adult resident, the county department, with the assistance of the department of justice, shall conduct a background investigation of the prospective employe or prospective adult resident unless that person has already been investigated under subd. 1. or 2.

(d) If the person being investigated under par. (b) or (c) is a nonresident, or at any time within the 5 years preceding the date of the application has been a nonresident, or if the county department determines that the person's employment, licensing or state court records provide a reasonable basis for further investigation, the county department shall require the person to be photographed and fingerprinted on 2 fingerprint cards, each bearing a complete set of the person's fingerprints. The department of justice may provide for the submission of the fingerprint cards to the federal bureau of investigation for the purposes of verifying the identity of the person fingerprinted and obtaining records of his or her criminal arrest and conviction.

(e) Upon request, a person being investigated under par. (b) or (c) shall provide the county department with all of the following information:

1. The person's name.
2. The person's social security number.
3. Other identifying information, including the person's birthdate, gender, race and any identifying physical characteristics.

4. Information regarding the conviction record of the person under the law of this state or any other state or under federal law. This information shall be provided on a notarized background verification form that the department shall provide by rule.

(fm) 1. The county department may provisionally approve the making of payments under sub. (3m) based on the applicant's statement under sub. (3m) (am) 4m. The county department may not finally approve the making of payments under sub. (3m) unless that county department receives information from the department of justice indicating that the conviction record of the applicant under the law of this state is satisfactory according to the criteria specified in par. (g) 1. to 3. The department of indus-

try, labor and job development may make payments under sub. (3m) conditioned on the receipt of information from the federal bureau of investigation indicating that the person's conviction record under the law of any other state or under federal law is satisfactory according to the criteria specified in par. (g) 1. to 3.

2. A person receiving payments under sub. (3m) may provisionally employ a person in a position in which that person would have regular contact with the child for whom those payments are being made or provisionally permit a person to be an adult resident if the person receiving those payments states to the county department that the employe or adult resident does not have any arrests or convictions that could adversely affect the child or the ability of the person receiving payments to care for the child. A person receiving payments under sub. (3m) may not finally employ a person in a position in which that person would have regular contact with the child for whom those payments are being made or finally permit a person to be an adult resident until the county department receives information from the department of justice indicating that the person's conviction record under the law of this state is satisfactory according to the criteria specified in par. (g) 1. to 3. and the county department so advises the department and the person receiving payments under sub. (3m). A person receiving payments under sub. (3m) may finally employ a person in a position in which that person would have regular contact with the child for whom those payments are being made or finally permit a person to be an adult resident conditioned on the receipt of information from the county department that the federal bureau of investigation indicates that the person's conviction record under the law of any other state or under federal law is satisfactory according to the criteria specified in par. (g) 1. to 3.

Vetoed In Part (g) Subject to par. (h), the department may not make payments to a person applying for payments under sub. (3m) and a person receiving payments under sub. (3m) may not employ a person in a position in which that person would have regular contact with the child for whom those payments are being made or permit a person to be an adult resident if any of the following applies:

1. The person has been convicted of a violation of ch. 161 that is punishable as a felony or of a violation of the law of any other state or federal law that would be a violation of ch. 161 that is punishable as a felony if committed in this state.
2. The person has had imposed on him or her a penalty specified in s. 939.62, 939.621, 939.63, 939.64, 939.641 or 939.645 or has been convicted of a violation of the law of any other state or federal law under circumstances under which the applicant or other person would be subject to a penalty specified in any of those sections if convicted in this state.
3. The person has been convicted of a violation of ch. 940, 944 or 948, other than a violation of s. 940.291,

940.34, 944.36, 948.45, 948.63 or 948.70, or of a violation of the law of any other state or federal law that would be a violation of ch. 940, 944 or 948, other than a violation of s. 940.291, 940.34, 944.36, 948.45, 948.63 or 948.70, if committed in this state, except that the department may make payments to a person applying for payments under sub. (3m) and a person receiving payments under sub. (3m) may employ in a position in which the person would have regular contact with the child for whom those payments are being made or permit to be an adult resident a person who has been convicted of a violation of s. 944.30, 944.31 or 944.33 or of a violation of the law of any other state or federal law that would be a violation of s. 944.30, 944.31 or 944.33 if committed in this state, if that violation occurred 20 years or more before the date of the investigation.

(h) Notwithstanding par. (g), a person whose application to the county department for payments under sub. (3m) has been denied on one of the grounds specified in par. (g) 1. to 3. may petition the department of health and family services for a review of that denial. If that department determines that making those payments would be in the best interests of a child, those payments shall be made. The department of health and family services shall promulgate rules to provide standards under which to review a petition under this paragraph.

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(i) The county department shall keep confidential all information received under this subsection from the department of justice or the federal bureau of investigation. Such information is not subject to inspection or copying under s. 19.35.

(j) The county department may charge a fee for conducting a background investigation under this subsection. The fee may not exceed the reasonable cost of conducting the investigation.

SECTION 71f. 48.57 (3p) (g) (intro.) of the statutes, as created by 1995 Wisconsin Act (this act), is amended to read:

48.57 (3p) (g) (intro.) Subject to par. (h), the county department may not make payments to a person applying for payments under sub. (3m) and a person receiving payments under sub. (3m) may not employ a person in a position in which that person would have regular contact with the child for whom those payments are being made or permit a person to be an adult resident if any of the following applies:

SECTION 71h. 48.57 (3t) of the statutes is created to read:

48.57 (3t) Notwithstanding subs. (3m) and (3p), the department may enter into an agreement with the governing body of a federally recognized American Indian tribe to allow that governing body to administer the program under subs. (3m) and (3p) within the boundaries of that reservation.

SECTION 71m. 48.65 (1m) of the statutes is created to read:

48.65 (1m) (a) In this subsection, "adult resident" means a person 18 years of age or over who lives at a day care center licensed under this section or contracted for under s. 120.13 (14) with the intent of making that day care center his or her home or who lives for more than 30 days cumulative in any 6-month period at a day care center licensed under this section or contracted for under s. 120.13 (14).

(b) 1. After receipt of an application for a license to operate a day care center or a referral from a school board under s. 120.13 (14), the department of health and family services, with the assistance of the department of justice, shall conduct a background investigation of the applicant or person referred.

2. The department of health and family services, with the assistance of the department of justice, shall conduct a background investigation of any person who, on the effective date of this subdivision [revisor inserts date], is a day care provider licensed under this section or contracted for under s. 120.13 (14) or who, on the effective date of this subdivision [revisor inserts date], has an application for licensure or a contract offer pending, within 6 months after the effective date of this subdivision [revisor inserts date], or on the person's application for license or contract renewal, whichever is earlier.

3. Subject to subd. 2., the department of health and family services may, at the time of renewal of the license or contract of a day care provider licensed under this section or contracted for under s. 120.13 (14), or at any other time that the department considers to be appropriate, conduct, with the assistance of the department of justice, a background investigation of that day care provider.

~~Vetoed In Part (c) 1. After receipt of an application for a license to operate a day care center or a referral from a school board under s. 120.13 (14), the department of health and family services, with the assistance of the department of justice, shall, in addition to the investigation under par. (b), conduct a background investigation of each employe and prospective employe of the applicant or person referred who has or would have regular contact with a child receiving care from the applicant or person referred and of each adult resident.~~

~~2. The department of health and family services, with the assistance of the department of justice, shall conduct a background investigation of each adult resident of a person who, on the effective date of this subdivision [revisor inserts date], is licensed under this section or contracted for under s. 120.13 (14) or who, on the effective date of this subdivision [revisor inserts date], has an application for licensure or a contract offer pending, within 6 months after that date or on the person's application for license or contract renewal, whichever is earlier, and shall conduct a background investigation of each employe and prospective employe of that person who has or would have regular contact with any child receiving care from that person.~~

3. Subject to subd. 2., the department of health and family services may, at the time of renewal of the license or contract of a day care provider licensed under this section or contracted for under s. 120.13 (14) or at any other time that the department considers to be appropriate, conduct, with the assistance of the department of justice, a background investigation of any employe or prospective employe of the day care provider who has or would have regular contact with any child receiving day care from the day care provider or of any adult resident of the day care provider.

4. Except as provided in par. (f) 2., before a day care provider that is licensed under this section or contracted for under s. 120.13 (14) may employ any person in a position in which that person would have regular contact with a child receiving care from the day care provider or permit any person to be an adult resident, the department of health and family services, with the assistance of the department of justice, shall conduct a background investigation of the prospective employe or prospective adult resident unless that person has already been investigated under subd. 1., 2. or 3.

(d) If the person being investigated under par. (b) or (c) is a nonresident, or if at any time within the 5 years preceding the date of the investigation that person has been a nonresident, or if the department of health and family services determines that the person's employment, certification or state court records provide a reasonable basis for further investigation, the department shall require the person to be photographed and fingerprinted on 2 fingerprint cards, each bearing a complete set of the person's fingerprints. The department of justice may provide for the submission of the fingerprint cards to the federal bureau of investigation for the purposes of verifying the identity of the person fingerprinted and obtaining records of his or her criminal arrest and conviction.

(e) Upon request, a person being investigated under par. (b) or (c) shall provide the department of health and family services with all of the following information:

1. The person's name.
2. The person's social security number.
3. Other identifying information, including the person's birthdate, gender, race and any identifying physical characteristics.

4. Information regarding the conviction record of the person under the law of this state or any other state or under federal law. This information shall be provided on a notarized background verification form that the department shall provide by rule promulgated under s. 48.67.

(f) 1. The department of health and family services may not license a person as a day care provider under this section and a school board may not contract with a person under s. 120.13 (14) until the department or school board receives information from the department of justice indicating that the person's conviction record under the law

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of this state is satisfactory according to the criteria specified in par. (g) 1. to 3. The department of health and family services may license a person as a day care provider under this section and a school board may contract with a person under s. 120.13 (14) conditioned on the receipt of information from the federal bureau of investigation indicating that the person's conviction record under the law of any other state or under federal law is satisfactory according to the criteria specified in par. (g) 1. to 3. The department of health and family services may issue a probationary license and a school board may enter into a provisional contract pending receipt of the information required under this subdivision.

2. A day care provider that is licensed under this section or contracted for under s. 120.13 (14) may not employ a person in a position in which that person would have regular contact with a child receiving care from the day care provider or permit a person to be an adult resident

Vetoed In Part until the department of health and family services or school board receives information from the department of justice indicating that the person's conviction record under the law of this state is satisfactory according to the

Vetoed In Part criteria specified in par. (g) 1. to 3. and the department of health and family services or school board so advises the day care provider. A day care provider that is licensed under this section or contracted for under s. 120.13 (14) may employ a person or permit a person to be an adult resident conditioned on the receipt of information from the federal bureau of investigation indicating that the person's conviction record under the law of any other state or under federal law is satisfactory according to the criteria specified in par. (g) 1. to 3. A day care provider that is licensed under this section or contracted for under s. 120.13 (14) may provisionally employ a person in a position in which that person would have regular contact with a child receiving care from the day care provider or provisionally permit a person to be an adult resident if the day care provider states to the department of health and family services or school board that the employe or adult resident does not have any arrests or convictions that could adversely affect the child or the ability of the day care provider to care for the child. A day care provider may not finally employ a person in a position in which that person would have regular contact with the child for

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Vetoed In Part (g) Subject to par. (h), the department of health and family services may not license a person to be a day care provider under this section, a school board may not contract with a person under s. 120.13 (14) and a day care

provider licensed under this section or contracted with under s. 120.13 (14) may not employ a person in a position in which that person would have regular contact with a child receiving care from the day care provider or permit a person to be an adult resident if any of the following applies:

1. The person has been convicted of a violation of ch. 161 that is punishable as a felony or of a violation of the law of any other state or federal law that would be a violation of ch. 161 that is punishable as a felony if committed in this state.

2. The person has had imposed on him or her a penalty specified in s. 939.62, 939.621, 939.63, 939.64, 939.641 or 939.645 or has been convicted of a violation of the law of any other state or federal law under circumstances under which the person would be subject to a penalty specified in any of those sections if convicted in this state.

3. The person has been convicted of a violation of ch. 940, 944 or 948, other than a violation of s. 940.291, 940.34, 944.36, 948.45, 948.63 or 948.70, or of a violation of the law of any other state or federal law that would be a violation of ch. 940, 944 or 948, other than a violation of s. 940.291, 940.34, 944.36, 948.45, 948.63 or 948.70, if committed in this state, except that the department of health and family services may license a person to be a day care provider under this section, a school board may contract with a person under s. 120.13 (14) and a day care provider licensed under this section or contracted for under s. 120.13 (14) may employ or permit to be an adult resident a person who has been convicted of a violation of s. 944.30, 944.31 or 944.33 or of a violation of the law of any other state or federal law that would be a violation of s. 944.30, 944.31 or 944.33 if committed in this state, if that violation occurred 20 years or more before the date of the investigation.

~~3. (h) 1. Notwithstanding par. (g), a person whose application for initial licensure or renewal of a license under this section has been denied on one of the grounds specified in par. (g) 1. to 3. may petition the department for a review of that denial. If the department determines that issuing or renewing the license would be in the best interests of a child, the department shall order that the license be issued or renewed.~~

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~~3. 2. Notwithstanding par. (g), a person whose application for an initial contract or renewal of a contract under s. 120.13 (14) has been denied on one of the grounds specified in par. (g) 1. to 3. may petition the school board for a review of that denial. If the school board determines that entering into or renewing the contract would be in the best interests of a child, the school board shall enter into or renew the contract.~~

~~3. 3. The department shall promulgate rules to provide standards under which to review a petition under this paragraph.~~

(i) School boards and the department of health and family services shall keep confidential all information received under this subsection from the department of justice or the federal bureau of investigation. Such information is not subject to inspection or copying under s. 19.35.

(j) The department of health and family services may charge a fee for conducting a background investigation under this subsection. The fee may not exceed the reasonable cost of conducting the investigation.

SECTION 72. 48.651 of the statutes is renumbered 48.651 (1) (intro.) and amended to read:

48.651 (1) (intro.) Each county department shall certify, according to the standards adopted by the department under s. 46.03 (21), each day care provider from whom it purchases services under s. 46.036 on or after January 1, 1985, and each day care provider that provides day care services to parents pursuant to a voucher provided under s. 46.98 (3) (c) on or after January 1, 1985 reimbursed for child care services provided to families determined eligible under s. 46.98 (2r) and (4), unless the provider is a day care center licensed under s. 48.65 or is established or contracted for under s. 120.13 (14). Each county may charge a fee to cover the costs of certification. The county shall certify the following categories of day care providers:

SECTION 73. 48.651 (1) (intro.) of the statutes, as affected by 1995 Wisconsin Act (this act), is amended to read:

48.651 (1) (intro.) Each county department shall certify, according to the standards adopted by the department under s. 46.03 (21), each day care provider reimbursed for child care services provided to families determined eligible under ss. 46.98 (2r) and (4) and 49.155 (1m), unless the provider is a day care center licensed under s. 48.65 or is established or contracted for under s. 120.13 (14). Each county may charge a fee to cover the costs of certification. The county shall certify the following categories of day care providers:

SECTION 74. 48.651 (1) (a) and (b) of the statutes are created to read:

48.651 (1) (a) Level I certified family day care providers, as established by the department under s. 46.03 (21). The county shall require 15 hours of training for a
 Vetoed In Part provider certified under this paragraph. No county may certify a provider under this paragraph if the provider is a relative of all of the children for whom he or she provides care. The department may establish by rule other requirements for certification under this paragraph.

(b) Level II certified family day care providers, as established by the department under s. 46.03 (21). In establishing the requirements for certification under this paragraph, the department may not include a requirement for training for providers. The department may establish by rule requirements for certification under this paragraph.

SECTION 75. 48.651 (2) of the statutes is created to read:

48.651 (2) (a) In this subsection, "adult resident" means a person 18 years of age or over who lives at the home of a person who is a day care provider certified under this section with the intent of making that home his or her home or who lives for more than 30 days cumulative in any 6-month period at the home of a person who is a day care provider certified under this section.

(b) 1. Before initially certifying a Level I certified family day care provider under sub. (1) (a) or a Level II certified family day care provider under sub. (1) (b), the county department, with the assistance of the department of justice, shall conduct a background investigation of the certification applicant.

2. The county department, with the assistance of the department of justice, shall conduct a background investigation of any person who, on the effective date of this subdivision [revisor inserts date], is a day care provider certified under this section or who, on the effective date of this subdivision [revisor inserts date], has an application for certification pending, within 6 months after the effective date of this subdivision [revisor inserts date], or on the person's application for renewal, whichever is earlier.

3. Subject to subd. 2., the county department may, at the time of renewal of the certification of a day care provider certified under this section, or at any other time that the county department considers to be appropriate, conduct, with the assistance of the department of justice, a background investigation of that day care provider.

(c) 1. Before initially certifying a Level I certified family day care provider under sub. (1) (a) or a Level II certified family day care provider under sub. (1) (b), the county department, with the assistance of the department of justice, shall, in addition to the investigation under par. (b), conduct a background investigation of all of the employees and prospective employees of the certification applicant who have or would have regular contact with a child receiving care from the day care provider and of each adult resident.

2. The county department, with the assistance of the department of justice, shall conduct a background investigation of each adult resident of a person who, on the effective date of this subdivision [revisor inserts date], is certified under this section or who, on the effective date of this subdivision [revisor inserts date], has an application for certification pending, within 6 months after that date or on the person's application for renewal, whichever is earlier, and shall conduct a background investigation of all of the employees and prospective employees of that person who have or would have regular contact with any child receiving care from the day care provider.

3. Subject to subd. 2., the county department may, at the time of renewal of the certification of a day care provider certified under this section or at any other time that the county department considers to be appropriate, con-

duct, with the assistance of the department of justice, a background investigation of any employe or prospective employe of the day care provider who has or would have regular contact with any child receiving care from the day care provider or of any adult resident of the day care provider.

4. Before a day care provider that is certified under this section may employ any person in a position in which that person would have regular contact with a child receiving care from the day care provider or permit any person to be an adult resident, the county department, with the assistance of the department of justice, shall conduct a background investigation of the prospective employe or prospective adult resident unless that person has already been investigated under subd. 1., 2. or 3.

(d) If the person being investigated under par. (b) or (c) is a nonresident, or if at any time within the 5 years preceding the date of the investigation that person has been a nonresident, or if the county department determines that the person's employment, certification or state court records provide a reasonable basis for further investigation, the county department shall require the person to be photographed and fingerprinted on 2 fingerprint cards, each bearing a complete set of the person's fingerprints. The department of justice may provide for the submission of the fingerprint cards to the federal bureau of investigation for the purposes of verifying the identity of the person fingerprinted and obtaining records of his or her criminal arrest and conviction.

(e) Upon request, a person being investigated under par. (b) or (c) shall provide the county department with all of the following information:

1. The person's name.
2. The person's social security number.
3. Other identifying information, including the person's birthdate, gender, race and any identifying physical characteristics.

4. Information regarding the conviction record of the person under the law of this state or any other state or under federal law. This information shall be provided on a notarized background verification form that the department shall provide by rule promulgated under s. 48.67.

(f) 1. A county department may not certify a person as a day care provider under this section until the county department receives information from the department of justice indicating that the person's conviction record under the law of this state is satisfactory according to the criteria specified in par. (g) 1. to 3. A county department may certify a person as a day care provider under this section conditioned on the receipt of information from the federal bureau of investigation indicating that the person's conviction record under the law of any other state or under federal law is satisfactory according to the criteria specified in par. (g) 1. to 3. A county department may grant provisional certification pending the receipt of the information required under this subdivision.

2. A day care provider that is certified under this section may not employ a person in a position in which that person would have regular contact with a child receiving care from the day care provider or permit a person to be an adult resident until the county department receives information from the department of justice indicating that the person's conviction record under the law of this state is satisfactory according to the criteria specified in par. (g) 1. to 3. and the county department so advises the day care provider. A day care provider that is certified under this section may employ a person in a position in which that person would have regular contact with a child receiving care from the day care provider or permit a person to be an adult resident conditioned on the receipt of information from the federal bureau of investigation indicating that the person's conviction record under the law of any other state or under federal law is satisfactory according to the criteria specified in par. (g) 1. to 3.

(g) Subject to par. (h), a county department may not certify a person to be a day care provider under this section and a day care provider certified under this section may not employ a person in a position in which that person would have regular contact with a child receiving care from the day care provider or permit a person to be an adult resident if any of the following applies:

1. The person has been convicted of a violation of ch. 161 that is punishable as a felony or of a violation of the law of any other state or federal law that would be a violation of ch. 161 that is punishable as a felony if committed in this state.

2. The person has had imposed on him or her a penalty specified in s. 939.62, 939.621, 939.63, 939.64, 939.641 or 939.645 or has been convicted of a violation of the law of any other state or federal law under circumstances under which the person would be subject to a penalty specified in any of those sections if convicted in this state.

3. The person has been convicted of a violation of ch. 940, 944 or 948, other than a violation of s. 940.291, 940.34, 944.36, 948.45, 948.63 or 948.70, or of a violation of the law of any other state or federal law that would be a violation of ch. 940, 944 or 948, other than a violation of s. 940.291, 940.34, 944.36, 948.45, 948.63 or 948.70, if committed in this state, except that the county department may certify a person to be a day care provider under this section and a day care provider certified under this section may employ or permit to be an adult resident a person who has been convicted of a violation of s. 944.30, 944.31 or 944.33 or of a violation of the law of any other state or federal law that would be a violation of s. 944.30, 944.31 or 944.33 if committed in this state, if that violation occurred 20 years or more before the date of the investigation.

(h) Notwithstanding par. (g), a person whose application for initial certification or renewal of a certification

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Vetoed under this section has been denied on one of the grounds In Part specified in par. (g) 1. to 3. may petition the department for a review of that denial. If the department determines that issuing or renewing the certification would be in the best interests of a child, the department shall order that the certification be issued or renewed. The department shall promulgate rules to provide standards under which to review a petition under this paragraph.

(i) A county department shall keep confidential all information received under this subsection from the department of justice or the federal bureau of investigation, except that the county department may disclose any information obtained under this subsection to any other county department conducting an investigation under this subsection. Such information is not subject to inspection or copying under s. 19.35.

(j) A county department may charge a fee for conducting a background investigation under this subsection. The fee may not exceed the reasonable cost of conducting the investigation.

SECTION 76. 48.981 (2) of the statutes, as affected by 1993 Wisconsin Act 443, is amended to read:

48.981 (2) PERSONS REQUIRED TO REPORT. A physician, coroner, medical examiner, nurse, dentist, chiropractor, optometrist, acupuncturist, other medical or mental health professional, social worker, marriage and family therapist, professional counselor, public assistance worker, including a financial and employment planner, as defined in s. 49.141 (1)(d), school teacher, administrator or counselor, mediator under s. 767.11, child care worker in a day care center or child caring institution, day care provider, alcohol or other drug abuse counselor, member of the treatment staff employed by or working under contract with a county department under s. 46.23, 51.42 or 51.437, physical therapist, occupational therapist, dietitian, speech-language pathologist, audiologist, emergency medical technician or police or law enforcement officer having reasonable cause to suspect that a child seen in the course of professional duties has been abused or neglected or having reason to believe that a child seen in the course of professional duties has been threatened with abuse or neglect and that abuse or neglect of the child will occur shall, except as provided under sub. (2m), report as provided in sub. (3). Any other person, including an attorney, having reason to suspect that a child has been abused or neglected or reason to believe that a child has been threatened with abuse or neglect and that abuse or neglect of the child will occur may make such a report. No person making a report under this subsection may be discharged from employment for so doing.

SECTION 77. 49.001 (9) of the statutes is created to read:

49.001 (9) "Wisconsin works agency" means a person under contract under s. 49.143 to administer Wisconsin works under ss. 49.141 to 49.161. If no contract is

awarded under s. 49.143, "Wisconsin works agency" means the department of industry, labor and job development.

SECTION 78. 49.015 (2) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.015 (2) RECIPIENTS OF OTHER AID. Except as provided in sub. (3), an individual is not eligible for relief for a month in which the individual has received aid to families with dependent children under s. 49.19 or supplemental security income under 42 USC 1381 to 1383c or has participated in a Wisconsin works employment position under s. 49.147 (3) to (5) or in which aid to families with dependent children or supplemental security income benefits are or a Wisconsin works employment position is immediately available to the individual.

SECTION 79. 49.124 (1m) of the statutes, as affected by 1995 Wisconsin Act 27, is renumbered 49.124 (1m) (a) and amended to read:

49.124 (1m) (a) The department shall administer an employment and training program for recipients under the food stamp program. The department may contract with a Wisconsin works agency to administer the employment and training program under this section. Except as provided in pars. (b) and (bm), the department may require able individuals who are 18 to 60 years of age who are not participants in a Wisconsin works employment position, as defined in s. 49.141 (1)(r), to participate in the employment and training program under this section. To the extent permitted by federal law or waiver, and except as provided in par. (cm), the department may distribute food stamp benefits on a pay-for-performance basis, as determined under par. (c). The maximum number of hours an individual may be required to work may not exceed the amount of food stamp benefits divided by the applicable federal minimum wage, or 40 hours per week, whichever is less.

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SECTION 80. 49.124 (1m) (b) and (bm) of the statutes are created to read:

49.124 (1m) (b) The department may not require an individual who is a recipient under the food stamp program and who is the caretaker of a child who is under the age of 12 weeks to participate in any employment and training program under par. (a).

(bm) The department may not require an individual who is a recipient under the food stamp program to participate in any employment and training program under par. (a) if that individual is enrolled at least half time in a school, as defined in s. 49.26 (1) (a) 2., a training program or an institution of higher education.

SECTION 81. 49.124 (1m) (c) of the statutes is created to read:

49.124 (1m) (c) The amount of food stamp benefits paid to the recipient in a subsequent month shall be determined as follows:

1. The department shall add the recipient's total number of hours of actual participation in the month to the to-

tal number of hours in a month for which the recipient had good cause, as defined by the department by rule, for not participating in required activities.

2. The department shall subtract the total number of hours determined under subd. 1. from the recipient's total number of hours of required participation in that month.

3. The department shall multiply the number of hours determined under subd. 2. by the federal minimum hourly wage under 29 USC 206 (a) (1).

4. The department shall subtract the dollar amount determined under subd. 3. from the amount of food stamp benefits that the recipient's family would have received if he or she had participated for the total number of assigned hours.

SECTION 81c. 49.124 (1m) (cm) of the statutes is created to read:

49.124 (1m) (cm) Notwithstanding par. (c), the amount of food stamp benefits paid to a recipient who is a participant in a Wisconsin works employment position under s. 49.147 (4) or (5) shall be calculated based on the pre-sanction benefit amount received s. 49.148.

SECTION 81e. 49.124 (1p) of the statutes is created to read:

49.124 (1p) WAIVER. (a) The department shall request a waiver from the secretary of the federal department of agriculture to permit the application of par. (b). Paragraph (b) does not apply unless a waiver is granted and in effect.

(b) The department shall modify eligibility and benefit amounts under the food stamp program to provide for a graduated schedule of benefits based on income in the manner described in the waiver under par. (a).

SECTION 81g. 49.124 (2) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.124 (2) LIABILITY FOR LOST FOOD COUPONS. (a) A county or, federally recognized American Indian tribe or Wisconsin works agency is liable for all food stamp coupons lost, misappropriated or destroyed while under the county's or, tribe's or Wisconsin works agency's direct control, except as provided in par. (b).

(b) A county or, federally recognized American Indian tribe or Wisconsin works agency is not liable for food stamp coupons lost in natural disasters if it provides evidence acceptable to the department that the coupons were destroyed and not redeemed.

(c) A county or, federally recognized American Indian tribe or Wisconsin works agency is liable for food stamp coupons mailed to residents of the county or, members of the tribe or participants in the Wisconsin works program and lost in the mail due to incorrect information submitted to the department by the county or, tribe or Wisconsin works agency.

SECTION 83. 49.125 (1) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.125 (1) The department, or a county or, an elected governing body of a federally recognized American In-

dian tribe or band or a Wisconsin works agency acting on behalf of the department, may recover overpayments that arise from an overissuance of food coupons under the food stamp program administered under s. 46.215 (1) (k) or, 46.22 (1) (b) 2. d. or 49.143 (2) (e). Recovery shall be made in accordance with 7 USC 2022.

SECTION 83e. 49.138 (title), (2) and (3) of the statutes are created to read:

49.138 (title) Emergency assistance for families with needy children.

(2) Emergency assistance provided to a person under sub. (1) (c) may be provided once in a 12-month period.

(3) The department shall submit a report to the legislature under s. 13.172 (2) no later than 12 months following the date stated in the notice under s. 49.141 (2) (d). The report shall discuss the interaction between the program under this section and Wisconsin works, as defined in s. 49.141 (1) (p). The report shall include information on the utilization of the program under this section and the department's recommendations, if any, for changes to the program under this section.

SECTION 84. 49.141 of the statutes is created to read:

49.141 Wisconsin works; general provisions. (1)

DEFINITIONS. As used in ss. 49.141 to 49.161:

(a) "Community service job" means a work component of Wisconsin works administered under s. 49.147 (4).

(b) "Custodial parent" means, with respect to a dependent child, a parent who resides with that child and, if there has been a determination of legal custody with respect to the dependent child, has legal custody of that child. For the purposes of this paragraph, "legal custody" has the meaning given in s. 767.001 (2) (a).

(c) "Dependent child" means a person who resides with a parent and who is under the age of 18 or, if the person is a full-time student at a secondary school or a vocational or technical equivalent and is reasonably expected to complete the program before attaining the age of 19, is under the age of 19.

(d) "Financial and employment planner" means a caseworker employed by a Wisconsin works agency who provides financial or employment counseling services to a participant.

(e) "Job access loan" means a loan administered under s. 49.147 (6).

(f) "Migrant worker" has the meaning given in s. 103.90 (5).

(g) "Minimum wage" means the state minimum hourly wage under ch. 104 or the federal minimum hourly wage under 29 USC 206 (a) (1), whichever is applicable.

(h) "Noncustodial parent" means, with respect to a dependent child, a parent who is not the custodial parent.

(i) "Nonmarital coparent" means, with respect to an individual and a dependent child, a parent who is not married to the individual, resides with the dependent child

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and is either an adjudicated parent or a parent who has signed and filed with the state registrar under s. 69.15 (3) (b) 3. a statement acknowledging paternity.

(j) "Parent" means either a biological parent, a person who has consented to the artificial insemination of his wife under s. 891.40, or a parent by adoption.

(k) "Participant" means an individual who participates in any component of the Wisconsin works program.

(L) "Strike" has the meaning provided in 29 USC 142 (2).

(m) "Transitional placement" means a work component of Wisconsin works administered under s. 49.147 (5).

(n) "Trial job" means a work component of Wisconsin works administered under s. 49.147 (3).

(p) "Wisconsin works" means the assistance program for families with dependent children, administered under ss. 49.141 to 49.161.

(r) "Wisconsin works employment position" means any job or placement under s. 49.147 (3) to (5).

(s) "Wisconsin works group" means an individual who is a custodial parent, all dependent children with respect to whom the individual is a custodial parent and all dependent children with respect to whom the individual's dependent child is a custodial parent. "Wisconsin works group" includes any nonmarital coparent or any spouse of the individual who resides in the same household as the individual and any dependent children with respect to whom the spouse or nonmarital coparent is a custodial parent. "Wisconsin works group" does not include any person who is receiving benefits under s. 49.027 (3) (b).

(2) WAIVERS: LEGISLATION. (a) If necessary, the department shall request a waiver from the secretaries of the federal department of health and human services, the federal department of agriculture and the federal social security administration or shall seek the passage of federal legislation to permit the department to conduct the Wisconsin works program in lieu of the aid to families with dependent children program under s. 49.19, the job opportunities and basic skills program under s. 49.193, the parental responsibility pilot program under s. 49.25 and the work-not-welfare program under s. 49.27 and as part of the food stamp program under 7 USC 2011 to 2029 and the medical assistance program under 42 USC 1396 to 1396u.

(b) If a waiver is granted and in effect or legislation is enacted, and if the department determines that sufficient funds are available, the department may begin to implement the Wisconsin works program no sooner than July 1, 1996, for selected counties or groups determined by the department and shall implement the Wisconsin works program statewide for all groups no later than September 1, 1997. If a waiver is not granted and in effect or federal legislation is not enacted before March 30, 1997, the department shall implement the Wisconsin works program statewide for all groups no later

than 3 months after the necessary waiver has been granted or federal legislation has been enacted.

(d) Before implementing the Wisconsin works program, the department shall publish a notice in the Wisconsin Administrative Register that states the date on which the department will begin to implement the Wisconsin works program statewide.

(2g) FINANCIAL AND PERFORMANCE AUDIT. (a) 1. The department shall contract with the legislative audit bureau to conduct a financial and performance audit of Wisconsin works. The legislative audit bureau shall include in its audit all of the following:

a. The effect of the Wisconsin works employment component on the unsubsidized wages of former Wisconsin works employment position participants, the wages of trial job participants and the wages of participants that move from community service jobs and transitional placements to trial jobs.

b. The effect of Wisconsin works on the provision of child care services.

c. The utilization and cost of the Wisconsin works health plan under s. 49.153.

2. The legislative audit bureau shall file the audit no later than July 1, 2000, in the manner described under s. 13.94 (1) (b).

(b) If an evaluation is required under the terms of a federal waiver obtained under sub. (2) (a), the legislative audit bureau, in consultation with the department, may contract with a private or public agency to perform that evaluation and may charge the department for the cost of the evaluation.

~~(2m) STATISTICS ON HOMELESSNESS. The department shall maintain a record detailing statistics on the homelessness of participants.~~

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(3) APPLICATIONS. Any individual may apply for any component of Wisconsin works. Application for each component of Wisconsin works shall be made on a form prescribed by the department. The individual shall submit a completed application form to a Wisconsin works agency in the geographical area specified by the department under s. 49.143 (6) in which the individual lives and in the manner prescribed by the department.

(4) NONENTITLEMENT. Notwithstanding fulfillment of the eligibility requirements for any component of Wisconsin works, an individual is not entitled to services or benefits under Wisconsin works.

(5) NONSUPPLANT. No Wisconsin works employment position may be operated so as to do any of the following:

(a) Have the effect of filling a vacancy created by an employer terminating a regular employe or otherwise reducing its work force for the purpose of hiring an individual under s. 49.147 (3), (4) or (5).

(b) Fill a position when any other person is on layoff or strike from the same or a substantially equivalent job within the same organizational unit.

(c) Fill a position when any other person is engaged in a labor dispute regarding the same or a substantially equivalent job within the same organizational unit.

(6) PROHIBITED CONDUCT. A person, in connection with Wisconsin works, may not do any of the following:

(a) Knowingly and wilfully make or cause to be made any false statement or representation of a material fact in any application for any benefit or payment.

(b) Having knowledge of the occurrence of any event affecting the initial or continued eligibility for a benefit or payment under Wisconsin works, conceal or fail to disclose that event with an intent fraudulently to secure a benefit or payment under Wisconsin works either in a greater amount or quantity than is due or when no such benefit or payment is authorized.

(7) PENALTIES. (a) A person who is convicted of violating sub. (6) in connection with the furnishing by that person of items or services for which payment is or may be made under Wisconsin works may be fined not more than \$25,000 or imprisoned for not more than 5 years or both.

(b) A person, other than a person under par. (a), who is convicted of violating sub. (6) may be fined not more than \$10,000 or imprisoned for not more than one year or both.

(8) DAMAGES. If a person is convicted under sub. (6), the state has a cause of action for relief against the person in an amount equal to 3 times the amount of actual damages sustained as a result of any excess payments made in connection with the offense for which the conviction was obtained. Proof by the state of a conviction under sub. (6) is conclusive proof in a civil action of the state's right to damages and the only issue in controversy shall be the amount, if any, of the actual damages sustained. Actual damages consist of the total amount of excess payments, any part of which is paid with state funds. In a civil action under this subsection, the state may elect to file a motion in expedition of the action. Upon receipt of the motion, the presiding judge shall expedite the action.

(9) KICKBACKS, BRIBES AND REBATES. (a) Whoever solicits or receives any remuneration in cash or in-kind, in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under Wisconsin works, or in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part under Wisconsin works, may be fined not more than \$25,000 or imprisoned for not more than 5 years or both.

(b) Whoever offers or pays any remuneration in cash or in-kind to any person to induce the person to refer an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under Wisconsin works, or to purchase, lease, order, or arrange for or recommend

purchasing, leasing, or ordering any good, facility, service or item for which payment may be made in whole or in part under any provision of Wisconsin works, may be fined not more than \$25,000 or imprisoned for not more than 5 years or both.

(c) This subsection does not apply to any of the following:

1. A discount or other reduction in price obtained by a provider of services or other entity under chs. 46 to 51 and 58 if the reduction in price is properly disclosed and appropriately reflected in the costs claimed or charges made by the provider or entity under Wisconsin works.

2. An amount paid by an employer to an employee who has a bona fide employment relationship with the employer for employment in the provision of covered items or services.

(10) PROHIBITED CHARGES. (a) A provider may not knowingly impose upon a recipient charges in addition to payments received for services under Wisconsin works or knowingly impose direct charges upon a recipient in lieu of obtaining payment under Wisconsin works unless benefits or services are not provided under Wisconsin works and the recipient is advised of this fact prior to receiving the service.

(b) A person who violates this subsection may be fined not more than \$25,000 or imprisoned for not more than 5 years or both.

SECTION 85. 49.143 of the statutes is created to read:

49.143 Wisconsin works; agency contracts. (1)

AWARDING CONTRACTS. (a) Except as provided in par. (am), the department may award a contract, on the basis of a competitive process approved by the secretary of administration, to any person to administer Wisconsin works in a geographical area determined by the department under sub. (6). The department shall award contracts under this paragraph at least 6 months before the date that is specified in s. 49.141 (2) (d).

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(am) 1. The department shall contract with a county under s. 46.215, 46.22 or 46.23 or with a tribal governing body to administer Wisconsin works in that county or within the boundaries of that reservation if the county or tribal governing body has met the aid to families with dependent children caseload performance standards established by the department. The contract shall be awarded at least 6 months before the date that Wisconsin works is implemented in that county or on that reservation and shall be for a term of at least 2 years beginning on the date on which the department implements Wisconsin works in that county or reservation. A contract under this subdivision may be terminated only by mutual consent of the parties. When the contract expires, a county or tribal governing body may apply for a new contract under the competitive process established under par. (a). A county or tribal governing body may elect not to enter into a contract under this subdivision if the county or tribal governing body informs the department by the date established

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Vetoed by the department by rule that the county or tribal governing body has made that election.

2. A county or tribal governing body that has not met the aid to families with dependent children caseload performance standards established by the department by rule may apply for a contract under the competitive process established under par. (a).

(at) A county that is awarded a contract under par. (am) 1. to administer Wisconsin works shall offer a sub-contract for the administration of s. 49.147 to the public or private agency, if different from the county department under s. 46.215, 46.22 or 46.23, that administers the job opportunities and basic skills program under s. 49.193 in that county. A contract entered into under this paragraph is subject to approval by the department.

(b) If no acceptable provider in a geographical area is selected under par. (a) or (am), the department shall administer Wisconsin works directly in that geographical area.

(2) CONTRACT REQUIREMENTS. Each contract under sub. (1) shall contain performance-based incentives established by the department by rule. The contract shall require a Wisconsin works agency to do all of the following:

(a) Establish a community steering committee within 60 days after the date on which the contract is awarded. The Wisconsin works agency shall recommend the members of the committee to the chief executive officer of each county served by the Wisconsin works agency. The chief executive officer of each county shall appoint the members of the committee. The number of members that each chief executive officer appoints to the committee shall be in proportion to the population of that officer's county relative to the population of each other county served by the Wisconsin works agency, except that the chief executive officer of a county that is not a Wisconsin works agency shall appoint the director of the county department under s. 46.215, 46.22 or 46.23, or his or her designee, and one other representative of the county department under s. 46.215, 46.22 or 46.23. The committee shall consist of at least 12 members, but not more than 15 members. The members of the committee shall appoint a chairperson who shall be a person who represents business interests. The committee shall do all of the following:

1. Advise the Wisconsin works agency concerning employment and training activities.

2. Identify and encourage employers to provide permanent jobs for persons who are eligible for trial jobs or community service jobs.

3. Create, and encourage others to create, subsidized jobs for persons who are eligible for trial jobs or community service jobs.

4. Create, and encourage others to create, on-the-job training sites for persons who are eligible for trial jobs or community service jobs.

5. Foster and guide the entrepreneurial efforts of participants who are eligible for trial jobs or community service jobs.

6. Provide mentors, both from its membership and from recruitment of members of the community, to provide job-related guidance, including assistance in resolving job-related issues and the provision of job leads or references, to persons who are eligible for trial jobs or community service jobs.

7. Coordinate with the governor's council on workforce excellence under s. 106.115 to ensure compatibility of purpose and no duplication of effort.

8. Work with participants, employers, child care providers and the community to identify child care needs, improve access to child care and expand availability of child care.

9. Seek sources of private funding to match employment skills advancement grants under s. 49.185 (3) (i).

10. Identify motivational training programs, including programs that enhance parenting skills.

(b) Establish a children's services network. The children's services network shall provide information about community resources available to the dependent children in a Wisconsin works group, including charitable food and clothing centers; subsidized and low-income housing; transportation subsidies; the state supplemental food program for women, infants and children under s. 253.06; and child care programs.

(c) Employ at least one financial and employment planner. The financial and employment planner shall work with a participant to facilitate the participant's achievement of the maximum degree of self-sufficiency. The department shall ensure that a financial and employment planner employed by a Wisconsin works agency meets certification and training requirements established by the department by rule and that appropriate training is provided by a Wisconsin works agency.

(cg) Employ staff, if necessary, to meet the needs of participants who are refugees and who have cultural or linguistic barriers to participation in Wisconsin works.

(cm) If a significant proportion of the population served by the Wisconsin works agency is comprised of a refugee group, employ staff that is proficient in the language of the refugee group to aid the financial and employment planner in locating appropriate employment opportunities that do not require English proficiency for participants who are members of that refugee group.

~~(cp) Enter into a written contract with each employer that agrees to provide a trial job for a participant. The contract terms shall include the hourly wage at which the participant is to be paid, which may not be less than minimum wage.~~

(d) If the Wisconsin works agency is not a county department under s. 46.215, 46.22 or 46.23 or tribal governing body, cooperate with the county department or tribal governing body to ensure that services delivered under

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Wisconsin works, the food stamp program and medical assistance are coordinated with the county or tribal governing body in a manner that most effectively serves the recipients of those services.

(e) Certify eligibility for and issue food coupons to eligible Wisconsin works participants in conformity with 7 USC 2011 to 2029.

(em) Determine eligibility for child care assistance under s. 49.155 and refer eligible families to county departments under s. 46.215, 46.22 or 46.23 for child care services.

(f) Perform any other tasks specified by the department in the contract that the department determines are necessary for the administration of Wisconsin works.

(3) PERFORMANCE STANDARDS. The department shall **Vetoed promulgate rules establishing performance standards for In Part the administration of Wisconsin works.** If a Wisconsin works agency does not meet the standards established under this subsection, the department may withhold any or all payment from the Wisconsin works agency.

(4) AUDITS. The department may require a Wisconsin works agency to submit to an independent annual audit paid for by the Wisconsin works agency.

(5) REQUESTS FOR INFORMATION. (a) In accordance with rules promulgated by the department, a Wisconsin works agency may request from any person any information that it determines appropriate and necessary for the administration of Wisconsin works. Any person in this state shall provide this information within 7 days after receiving a request under this paragraph. The Wisconsin works agency may extend the 7-day time limit for an individual for whom compliance with that limit would be unduly burdensome, as determined by the agency. The Wisconsin works agency may disclose information obtained under this paragraph only in the administration of Wisconsin works. The Wisconsin works agency shall keep all information that it receives regarding victims of domestic abuse strictly confidential, except to the extent needed to administer Wisconsin works.

(b) The department may request from any Wisconsin works agency any information that the department determines appropriate and necessary for the overall administration of Wisconsin works. A Wisconsin works agency shall provide the department with the requested information in the manner prescribed by the department by rule.

(c) The department may inspect at any time any Wisconsin works agency's records as the department determines is appropriate and necessary for the overall administration of Wisconsin works.

(d) The legislative audit bureau may inspect at any time any Wisconsin works agency's records as the legislative audit bureau determines appropriate and necessary. If, in inspecting a Wisconsin works agency's records, the legislative audit bureau inspects the records of individual participants, the legislative audit bureau shall protect the confidentiality of those records.

(6) GEOGRAPHICAL AREAS. The department shall determine the geographical area for which a Wisconsin works agency will administer Wisconsin works. Except for federally recognized American Indian reservations and in counties with a population of 500,000 or more, no geographical area may be smaller than one county. A geographical area may include more than one county. The department need not establish the geographical areas by rule.

SECTION 86. 49.145 of the statutes is created to read:

49.145 Wisconsin works; eligibility for employment positions. **(1) GENERAL ELIGIBILITY.** In order to be eligible for Wisconsin works employment positions and job access loans for any month, an individual shall meet the eligibility requirements under subs. (2) and (3). The department may promulgate rules establishing additional eligibility criteria and specifying how eligibility criteria are to be administered. The department may promulgate rules establishing payment and reporting periods as needed to administer this subsection.

(2) NONFINANCIAL ELIGIBILITY REQUIREMENTS. An individual is eligible for a Wisconsin works employment position and a job access loan in a month only if all of the following nonfinancial eligibility requirements are met:

(a) The individual is a custodial parent.

(b) The individual has attained the age of 18.

(c) The individual is a U.S. citizen or a qualifying alien, as defined by the department by rule.

(d) The individual has resided in this state for at least 60 consecutive days prior to applying under s. 49.141 (3) and, unless the person is a migrant worker, has demonstrated an intent to continue to reside in this state.

(f) 1. Subject to subd. 2., the individual fully cooperates in efforts directed at establishing the paternity of the dependent child and obtaining support payments or any other payments or property to which that individual and the dependent child may have rights. Such cooperation shall be in accordance with federal law and regulations and rules promulgated by the department applicable to paternity establishment and collection of support payments.

2. An individual who fails 3 times to meet the requirements under subd. 1. remains ineligible until the individual cooperates or for a period of 6 months, whichever is later.

(g) The individual furnishes the Wisconsin works agency with any relevant information that the Wisconsin works agency determines is necessary, consistent with rules promulgated by the department, within 7 working days after receiving a request for the information from the Wisconsin works agency. The Wisconsin works agency may extend the 7-day time limit for an individual for whom compliance with that limit would be unduly burdensome, as determined by the agency.

(h) The individual has made a good faith effort, as determined by the Wisconsin works agency on a case-by-

case basis, to obtain employment and has not refused any bona fide offer of employment within the 180 days immediately preceding application.

(hm) If the individual has applied for Wisconsin works within the 180 days immediately preceding the current application, the individual has cooperated with the efforts of a Wisconsin works agency to assist the individual in obtaining employment.

(i) The individual is not receiving supplemental security income under 42 USC 1381 to 1383c or state supplemental payments under s. 49.77.

(j) On the last day of the month, the individual is not participating in a strike.

(k) The individual applies for or provides a social security account number as required by the department.

(L) The individual satisfies other eligibility criteria established by the department by rule.

(m) The individual reports any change in circumstances that may affect his or her eligibility to the Wisconsin works agency within 10 days after the change.

(n) Beginning on the date on which the individual has attained the age of 18, the total number of months in which the individual has actively participated in the job opportunities and basic skills program under s. 49.193 or has participated in a Wisconsin works employment position or both does not exceed 60 months. The months need not be consecutive. Participation in the job opportunities and basic skills program under s. 49.193 begins to count toward the 60-month limit beginning on the effective date of this paragraph [revisor inserts date]. A Wis-

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In Part 12-month increments. An extension may be granted
Vetoed only if all of the following conditions are met:

In Part 1. The Wisconsin works agency determines, in accordance with rules promulgated by the department, that unusual circumstances exist that warrant an extension of the participation period.

Vetoed 2. The department approves the extension.

In Part (q) No other individual in the Wisconsin works group is a participant in a Wisconsin works employment position at the time of the determination of eligibility. This
Vetoed paragraph does not apply to an individual applying for a
In Part job access loan.

(3) FINANCIAL ELIGIBILITY REQUIREMENTS. An individual is eligible for a Wisconsin works employment position and a job access loan only if all of the following financial eligibility requirements are met:

(a) *Resource limitations.* The individual is a member of a Wisconsin works group whose assets do not exceed \$2,500 in combined equity value. In determining the combined equity value of assets, the Wisconsin works agency shall exclude the equity value of vehicles up to a total equity value of \$10,000, and one home that serves as the homestead for the Wisconsin works group.

(b) *Income limitations.* The individual is a member of a Wisconsin works group whose gross income is at or

below 115% of the poverty line. In calculating gross income under this paragraph, the Wisconsin works agency shall include all of the following:

1. All earned and unearned income of the individual, except any amount received under section 32 of the internal revenue code, as defined in s. 71.01 (6), any amount received under s. 71.07 (9e), any payment made by an employer under section 3507 of the internal revenue code, as defined in s. 71.01 (6), and any assistance received under s. 49.148.

2. Child support payments received on behalf of a child who is a member of the Wisconsin works group.

3. The income of a nonmarital coparent or of the individual's spouse, if the spouse resides in the same home as the dependent child.

(4) REVIEW OF ELIGIBILITY. A Wisconsin works agency shall periodically review an individual's eligibility. The individual remains eligible under sub. (3) until the Wisconsin works group's assets exceed the asset limits for at least 2 months or until the income of the Wisconsin works group is expected to exceed the income limits for at least 2 consecutive months.

SECTION 87. 49.146 of the statutes is created to read:

49.146 Employer criteria. The department shall establish by rule criteria that an employer providing a Wisconsin works employment position must meet in order to employ a participant under s. 49.147 (3) to (5). An employer that does not meet the criteria established under this section is ineligible to receive any subsidy for any position provided to a participant.

SECTION 88. 49.147 of the statutes is created to read:

49.147 Wisconsin works; work programs and job access loans. (1) DEFINITION. (a) *Definition.* In this section, "unsubsidized employment" means employment for which the Wisconsin works agency provides no wage subsidy to the employer including self-employment and entrepreneurial activities.

(2) UNSUBSIDIZED EMPLOYMENT. (a) *Job search, orientation and training activities.* 1. An individual who applies for a Wisconsin works employment position may be required by the Wisconsin works agency to search for unsubsidized employment during the period that his or her application is being processed as a condition of eligibility. A participant in a Wisconsin works employment position shall search for unsubsidized employment throughout his or her participation. The department shall define by rule satisfactory search efforts for unsubsidized employment.

2. A Wisconsin works agency may require an applicant for a Wisconsin works employment position to participate in job orientation during the period that his or her application is being processed as a condition of eligibility. A Wisconsin works agency may require a participant in a Wisconsin works employment position to engage in training activities in accordance with rules promulgated

by the department as part of the participant's participation requirements.

(b) *Job search assistance.* A Wisconsin works agency shall assist a participant in his or her search for unsubsidized employment. In determining an appropriate placement for a participant, a Wisconsin works agency shall give priority to placement in unsubsidized employment over placements under subs. (3) to (5).

(3) **TRIAL JOBS.** (a) *Administration.* A Wisconsin works agency shall administer a trial job program as part of its administration of the Wisconsin works program to improve the employability of individuals who are not otherwise able to obtain unsubsidized employment, as determined by the Wisconsin works agency, by providing work experience and training to assist them to move promptly into unsubsidized employment. In determining an appropriate placement for a participant, a Wisconsin works agency shall give priority to placement under this subsection over placements under subs. (4) and (5). The Wisconsin works agency shall pay a wage subsidy to an employer that employs a participant under this subsection and agrees to make a good faith effort to retain the participant as a permanent unsubsidized employe after

Vetoed the wage subsidy is terminated. **In Part** The department shall promulgate rules establishing standards which must be met in order for an employer to demonstrate a good faith effort to retain the participant as a permanent employe. The wage subsidy may not exceed \$300 per month for full-time employment of a participant. For less than full-time employment of a participant during a month, the wage subsidy may not exceed a dollar amount determined by multiplying \$300 by a fraction, the numerator of which is the number of hours worked by the participant in the month and the denominator of which is the number of hours which would be required for full-time employment in that month.

(am) *Education or training activities.* A trial job includes education and training activities, as prescribed by the employer as an integral part of work performed in the trial job employment.

(b) *Worker's compensation.* The employer shall provide the participant with worker's compensation coverage.

(c) *Time-limited participation.* A participant under this subsection may participate in a trial job for a maximum of 3 months, with an opportunity for a 3-month extension under circumstances determined by the Wisconsin works agency. A participant may participate in more than one trial job, but may not exceed a total of 24 months of participation under this subsection. The months need not be consecutive. The department or, with the approval of the department, the Wisconsin works agency may grant an extension of the 24-month limit on a case-by-case basis if the participant has made all appropriate efforts to find unsubsidized employment and has been unable to find unsubsidized employment because local

labor market conditions preclude a reasonable job opportunity for that participant, as determined by a Wisconsin works agency and approved by the department.

(4) **COMMUNITY SERVICE JOB.** (a) *Administration.* A Wisconsin works agency shall administer a community service job program as part of its administration of Wisconsin works to improve the employability of individuals who are not otherwise able to obtain employment, as determined by the Wisconsin works agency, by providing work experience and training to assist them to move promptly into unsubsidized public or private employment or a trial job. In determining an appropriate placement for a participant, a Wisconsin works agency shall give placement under this subsection priority over placements under sub. (5). Community service jobs shall be limited to projects that the department determines would serve a useful public purpose or projects the cost of which is partially or wholly offset by revenue generated from such projects. After each 6 months of an individual's participation under this subsection and at the conclusion of each assignment under this subsection, a Wisconsin works agency shall reassess the individual's employability.

(am) *Education or training activities.* A participant under this subsection may be required to participate in education and training activities assigned as part of an employability plan developed by the Wisconsin works agency. The department shall establish by rule permissible education and training under this paragraph, which shall include a course of study meeting the standards established under s. 115.29 (4) for the granting of a declaration of equivalency of high school graduation, technical college courses and educational courses that provide an employment skill. Permissible education under this paragraph shall also include English as a 2nd language courses that the Wisconsin works agency determines would facilitate an individual's efforts to obtain employment and adult basic education courses that the Wisconsin works agency determines would facilitate an individual's efforts to obtain employment.

(as) *Required hours.* Except as provided in par. (at), a Wisconsin works agency may require a participant placed in a community service job program to work not more than 30 hours per week in a community service job. A Wisconsin works agency may require a participant placed in the community service job program to participate in education or training activities for not more than 10 hours per week.

(at) *Motivational training.* A Wisconsin works agency may require a participant, during the first 2 weeks of participation under this subsection, to participate in an assessment and motivational training program identified by the community steering committee under s. 49.143 (2) (a) 10. The Wisconsin works agency may require not more than 40 hours of participation per week under this

paragraph in lieu of the participation requirement under par. (as).

(b) *Time-limited participation.* An individual may participate in a community service job for a maximum of 6 months, with an opportunity for a 3-month extension under circumstances approved by the department. An individual may participate in more than one community service job, but may not exceed a total of 24 months of participation under this subsection. The months need not be consecutive. The department or, with the approval of the department, the Wisconsin works agency may grant an extension to the 24-month limit on a case-by-case basis if the Wisconsin works agency determines that the individual has made all appropriate efforts to find unsubsidized employment and has been unable to find unsubsidized employment because local labor market conditions preclude a reasonable employment opportunity in unsubsidized employment for that participant, as determined by a Wisconsin works agency and approved by the department, and if the Wisconsin works agency determines, and the department agrees, that no trial job opportunities are available in the specified local labor market.

(c) *Worker's compensation.* A participant under this subsection is an employe of the Wisconsin works agency for purposes of worker's compensation coverage, except to the extent that the person for whom the participant is performing work provides worker's compensation coverage.

(5) TRANSITIONAL PLACEMENT. (a) *Additional eligibility criteria.* An individual is eligible to participate in a transitional placement under this subsection if, in addition to meeting the eligibility requirements under s. 49.145, any of the following conditions is met with respect to the individual:

1. The Wisconsin works agency determines, on the basis of an independent assessment by the division of vocational rehabilitation or similar agency or business, that the individual has been incapacitated, or will be incapacitated, for a period of at least 60 days.

2. The Wisconsin works agency determines that the individual is needed in the home because of the illness or incapacity of another member of the Wisconsin works group.

3. The Wisconsin works agency determines that the individual is incapable of performing a trial job or community service job.

(b) *Administration.* 1. The Wisconsin works agency shall assign a participant under this subsection to work activities such as a community rehabilitation program, as defined by the department, a job similar to a community service job or a volunteer activity. A Wisconsin works agency may require a participant under this subsection to participate in any of the following:

a. An alcohol and other drug abuse evaluation, assessment and treatment program.

c. Mental health activities, as defined by the department by rule.

d. Counseling or physical rehabilitation activities.

e. Other activities that the Wisconsin works agency determines are consistent with the capabilities of the individual.

2. An individual may participate in a transitional placement for a maximum of 24 months. The months need not be consecutive. This period may be extended on a case-by-case basis by the department or by the Wisconsin works agency with the approval of the department.

(bm) *Education or training activities.* A participant under this subsection may be required to participate in education and training activities assigned as part of an employability plan developed by the Wisconsin works agency. The department shall establish by rule permissible education and training under this paragraph, which shall include a course of study meeting the standards established under s. 115.29 (4) for the granting of a declaration of equivalency of high school graduation, technical college courses and educational courses that provide an employment skill. Permissible education under this paragraph shall also include English as a 2nd language courses that the Wisconsin works agency determines would facilitate an individual's efforts to obtain employment and adult basic education courses that the Wisconsin works agency determines would facilitate an individual's efforts to obtain employment.

(bs) *Required hours.* Except as provided in par. (bt), a Wisconsin works agency may require a participant placed in a transitional placement to engage in activities under par. (b) 1. for up to 28 hours per week. A Wisconsin works agency may require a participant placed in a transitional placement to participate in education or training activities under par. (bm) for not more than 12 hours per week.

(bt) *Motivational training.* A Wisconsin works agency may require a participant, during the first 2 weeks of participation under this subsection, to participate in an assessment and motivational training program identified by the community steering committee under s. 49.143 (2) (a) 10. The Wisconsin works agency may require not more than 40 hours of participation per week under this paragraph in lieu of the participation requirement under par. (bs).

(c) *Worker's compensation.* A participant under this subsection is an employe of the Wisconsin works agency for purposes of worker's compensation coverage, except to the extent that the person for whom the participant is performing work provides worker's compensation coverage.

(6) JOB ACCESS LOAN. (a) *Additional eligibility criteria.* An individual is eligible to receive a job access loan if, in addition to meeting the eligibility requirements un-

der s. 49.145, all of the following conditions are met with respect to the individual:

1. The individual needs the loan to address an immediate and discrete financial crisis. The crisis may not be the result of the individual's failure to accept a bona fide offer of employment or the individual's termination of a job without good cause.

2. The individual needs the loan to obtain or continue employment. Fulfillment of this requirement includes a loan that is needed to repair a vehicle that is needed to obtain or continue employment.

3. The individual is not in default with respect to the repayment of any previous job access loan or repayment of any grant or wage overpayments under this section.

4. The individual is not a migrant worker.

(b) *Terms.* The department shall promulgate rules establishing the terms of any job access loan, including all of the following:

1. The maximum and minimum loan amounts in any 12-month period.

2. The method of loan disbursement.

3. The terms and conditions of repayment. The rules promulgated under this subdivision shall provide for repayment by performance of in-kind services. The rules shall establish criteria that the Wisconsin works agency shall use to approve in-kind repayment of loans.

(c) *Distribution and administration.* From the appropriation under s. 20.445 (3) (e), the department shall distribute funds for job access loans to a Wisconsin works agency, which shall administer the loans in accordance with rules promulgated by the department.

(d) *Minor custodial parents.* An individual who would be eligible for a job access loan under par. (a), except that the individual has not attained the age of 18, is eligible under this paragraph if the individual meets the following requirements:

1. The individual is in an out-of-home placement or independent living arrangement supervised by an adult, as defined by the department.

2. The individual has graduated from high school or has met the standards established by the secretary of education for the granting of a declaration of equivalency of high school graduation under s. 115.29 (4).

3. The individual will be 18 years old within 2 months after applying for the job access loan.

SECTION 89. 49.148 of the statutes is created to read:

49.148 Wisconsin works; wages and benefits. (1)

BENEFIT LEVELS FOR PARTICIPANTS IN EMPLOYMENT POSITIONS. A participant in a Wisconsin works employment position shall receive the following benefits:

(a) *Trial jobs.* For a participant in a trial job, the amount established in the contract between the Wisconsin works agency and the trial job employer, but not less than minimum wage for every hour actually worked in the trial job, not to exceed 40 hours per week paid by the employer. Hours spent participating in education and

training activities under s. 49.147 (3) (am) shall be included in determining the number of hours actually worked.

(b) *Community service jobs.* For a participant in a community service job, a monthly grant of \$555, paid by the Wisconsin works agency. For every hour that the participant misses work or education or training activities without good cause, the Wisconsin works agency shall reduce the grant amount by \$4.25. Good cause shall be determined by the financial and employment planner in accordance with rules promulgated by the department. Good cause shall include required court appearances for a victim of domestic abuse.

(c) *Transitional placements.* For a participant in a transitional placement, a grant of \$518, paid monthly by the Wisconsin works agency. For every hour that the participant fails to participate in any required activity without good cause, including any activity under s. 49.147 (5) (b) 1. a. to e., the Wisconsin works agency shall reduce the grant amount by \$4.25. Good cause shall be determined by the financial and employment planner in accordance with rules promulgated by the department. Good cause shall include required court appearances for a victim of domestic abuse.

(1m) CUSTODIAL PARENT OF INFANT. (a) A custodial parent of a child who is 12 weeks old or less and who meets the eligibility requirements under s. 49.145 (2) and (3) may receive a monthly grant of \$555. A Wisconsin works agency may not require a participant under this subsection to participate in any employment positions. Receipt of a grant under this subsection does not constitute participation in a Wisconsin works employment position for purposes of tolling the time limits under s. 49.145 (2) (n) or 49.147 (3) (c), (4) (b) or (5) (b) 2, if the child is born to the participant not more than 10 months after the date that the participant was first determined to be eligible for assistance under s. 49.19 or for a Wisconsin works employment position.

Vetoed
In Part

(b) Receipt of a grant under this subsection constitutes participation in a Wisconsin works employment position for purposes of tolling the time limits under ss. 49.145 (2) (n) and 49.147 (3) (c), (4) (b) or (5) (b) 2, if the child is born to the participant more than 10 months after the date that the participant was first determined to be eligible for assistance under s. 49.19 or for a Wisconsin works employment position unless any of the following conditions is met:

Vetoed
In Part

~~1. The participant did not receive benefits under s. 49.19 and was not a participant in a Wisconsin works employment position for a period of at least 6 months, other than as a result of sanctions, and the child was born during that period or not more than 10 months after the participant was determined eligible for a Wisconsin works position.~~

Vetoed
In Part
Vetoed
In Part

2. The child was conceived as a result of a sexual assault in violation of s. 940.225 (1), (2) or (3) in which the

Vetoed
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mother did not indicate a freely given agreement to have sexual intercourse or of incest in violation of s. 944.06 or 948.06 and that incest or sexual assault has been reported to a physician and to law enforcement authorities.

(3) WISCONSIN WORKS HEALTH PLAN. A participant in a Wisconsin works employment position shall participate in the Wisconsin works health plan under s. 49.153. The participant shall pay a premium in an amount and in the manner established under s. 49.153 (4) (d).

SECTION 90. 49.149 of the statutes is created to read:

49.149 Wisconsin works; education and training. A Wisconsin works agency shall do all of the following:

(1) Establish a referral relationship with other employment and training programs for participants to make use of varied education and training opportunities available through integrated job centers, as defined by the department by rule.

(3) Encourage employers to make training sites available on the business site for participants.

(4) Work with the department of commerce to coordinate the provision of training to participants in conjunction with employers eligible for the development zone program under subch. VI of ch. 560.

SECTION 91. 49.151 of the statutes is created to read:

49.151 Wisconsin works; sanctions. (1) REFUSAL TO PARTICIPATE. A participant who refuses to participate 3 times in any Wisconsin works employment position component is ineligible to participate in that component. A participant whom the Wisconsin works agency has determined is ineligible under this section for a particular Wisconsin works employment position component may be eligible to participate in any other Wisconsin works employment position component in which the participant has not refused to participate 3 times. A participant refuses to participate in a Wisconsin works employment position component if the participant does any of the following:

(a) Expresses verbally or in writing to a Wisconsin works agency that he or she refuses to participate.

(b) Fails to appear for an interview with a prospective employer or, if the participant is in a Wisconsin works transitional placement, fails to appear for an assigned activity, including an activity under s. 49.147 (5) (b) 1. a. to e., without good cause, as determined by the Wisconsin works agency.

(c) Voluntarily leaves appropriate employment or training without good cause, as determined by the Wisconsin works agency.

(d) Loses employment as a result of being discharged for cause.

(e) Demonstrates through other behavior or action, as specified by the department by rule, that he or she refuses to participate in a Wisconsin works employment position.

(2) INTENTIONAL PROGRAM VIOLATIONS. If a court finds or it is determined after an administrative hearing

that an individual who is a member of a Wisconsin works group applying for or receiving benefits under ss. 49.141 to 49.161, for the purpose of establishing or maintaining eligibility for those benefits or for the purpose of increasing the value of those benefits, has intentionally violated, on 3 separate occasions, any provision in ss. 49.141 to 49.161 or any rule promulgated under those sections, the Wisconsin works agency may permanently deny benefits under ss. 49.141 to 49.161 to the individual.

SECTION 92. 49.152 of the statutes is created to read:

49.152 Review of agency decisions. (1) PETITION FOR REVIEW. Any individual whose application for Wisconsin works under s. 49.147 (1) to (5) is not acted upon by the Wisconsin works agency with reasonable promptness after the filing of the application, as defined by the department by rule, or is denied in whole or in part, whose benefit is modified or canceled, or who believes that the benefit was calculated incorrectly, may petition the Wisconsin works agency for a review of such action. Review is unavailable if the action by the Wisconsin works agency occurred more than 45 days prior to submission of the petition for review.

✓
w/in 45 days

(2) REVIEW. (a) Upon a timely petition under sub. (1), the Wisconsin works agency shall give the applicant or participant reasonable notice and opportunity for a review. The Wisconsin works agency shall render its decision as soon as possible after the review and shall send a certified copy of its decision to the applicant or participant. The Wisconsin works agency shall deny a petition for a review or shall refuse to grant relief if the petitioner does any of the following:

1. Withdraws the petition in writing.
2. Abandons the petition. Abandonment occurs if the petitioner fails to appear in person or by representative at a scheduled review without good cause, as defined by the department by rule.

(b) The department may review a decision of a Wisconsin works agency under par. (a) if any of the following occurs:

1. Within 15 days of receiving the decision of the Wisconsin works agency, the applicant or participant petitions the department for a review of that decision.
2. The Wisconsin works agency requests the department to review the decision of the Wisconsin works agency.

(c) The department shall review a Wisconsin works agency's decision to deny an application based solely on a determination of financial ineligibility if any of the following occurs:

1. Within 15 days after receiving the decision of the Wisconsin works agency, the applicant petitions the department for a review of the decision.

2. The Wisconsin works agency requests the department to review the decision of the Wisconsin works agency.

Vetoed In Part (cm) If, under par. (c), the department reverses a decision of the Wisconsin works agency, the petitioner shall receive, retroactive to the date that the Wisconsin works agency made its initial decision to deny the application, the benefit that the individual would have received, computed as if the individual had complied with all of the requirements of the Wisconsin works employment position into which the applicant most likely would have been placed.

SECTION 93. 49.153 of the statutes is created to read:

49.153 Wisconsin works health plan. (1) DEFINITIONS. In this section:

(a) "Employer-subsidized health care coverage" means a health care plan, which provides coverage of health care costs, offered by the employer for which the employer pays at least 50% of the cost of the plan for the employe, including dependent coverage and excluding any deductibles or copayments that may be required under the plan.

(b) "Unsubsidized employer-offered health care coverage" means a health care plan, which provides coverage of health care costs, offered by the employer for which the employer pays less than 50% of the cost of coverage for the employe, including dependent coverage and excluding any deductibles or copayments that may be required under the plan.

(2) ADMINISTRATION. The department of health and family services shall provide health services and benefits under sub. (4) to individuals who have been determined by a Wisconsin works agency to be eligible under subs. (3) to (3p) for such services and benefits. The Wisconsin works agency shall maintain a list of eligible individuals and shall make the list available to the department of health and family services upon request.

Vetoed In Part (3) ELIGIBILITY. (a) *General provisions.* 1. A Wisconsin works agency shall determine eligibility for benefits and services under this section, in accordance with rules promulgated by the department of health and family services in consultation with the department of industry, labor and job development. The Wisconsin works agency shall make the eligibility determination ~~within 2~~ **within 2** working days, as defined in s. 227.01(14), after the date on which the agency receives a completed application from the individual for services and benefits under this section and shall immediately notify the department of health and family services of that determination. An individual who applies for and receives benefits and services under this section is considered to have assigned to the state any rights to medical support or other payment of medical expenses from any other person, including rights to unpaid amounts accrued at the time of application for benefits and services under this section and any rights to support accruing during the time for which benefits and services under this section are provided. Eligibility for benefits and services under this section begins on the day on which the department of health and family services or

the provider issues a health plan membership card. The department of health and family services or the provider shall issue the health plan membership card to an individual within 3 working days, as defined in s. 227.01(14), after the date on which the Wisconsin works agency notifies the department of health and family services that the individual is eligible.

Vetoed In Part

2. a. Except as provided in subd. 3. and pars. (em) and (f), an individual who is eligible for the health care coverage under this section remains eligible under this section for 12 consecutive months or until the individual has access to unsubsidized employer-offered health care coverage, whichever is later.

b. Notwithstanding subd. 2. a., an individual who is described under par. (f) 1. a., b., c. or d. who is eligible for health care coverage under this section remains eligible until the individual no longer meets eligibility criteria, as provided in subd. 3.

3. A Wisconsin works agency shall, within the period of an individual's eligibility, as specified under subd. 2., periodically review an individual's eligibility. The individual remains eligible for benefits and services under this section until any of the following applies:

a. The assets of the individual or, if the individual is a member of a Wisconsin works group, the assets of the Wisconsin works group of which the individual is a member, exceed the asset limits for at least 2 months.

b. The income of the individual, or, if the individual is a member of a Wisconsin works group, the income of the Wisconsin works group of which the individual is a member, is expected to exceed the income limits for at least 2 consecutive months.

(e) *Access to employer-subsidized health care coverage.* An individual is eligible for health care coverage under this section only if the individual has not had access to employer-subsidized health care coverage within the 18 months immediately preceding application for health care coverage under this section. This paragraph does not apply to any of the following:

1. An individual who has lost access to employer-subsidized health care coverage within the 18 months immediately preceding application for health care coverage under this subsection because of the termination by the employer of the employment relationship for a reason other than misconduct on the part of the employe and who has not had access to employer-subsidized health care coverage since the termination.

2. An individual who has lost access to employer-subsidized health care coverage within the 18 months immediately preceding application for health care coverage under this subsection because of the termination by the employe of the employment relationship for just cause.

3. A dependent child who has lost eligibility for employer-subsidized health care coverage for any reason.

3m. A pregnant woman with an income equal to or less than 165% of the poverty line who has lost eligibility

for employer-subsidized health care coverage for any reason.

4. A participant in a Wisconsin works employment position.

(em) *Continuous coverage requirement.* An individual who withdraws from health care coverage under this section while the individual is still eligible for health care coverage under this section is ineligible for health care coverage under this section for a period of 6 months following the withdrawal.

(f) *Ineligibility.* No individual is eligible for health care coverage under this section in a month in which any of the following applies:

1. The individual is eligible for employer-subsidized health care coverage. This subdivision does not apply to any of the following:

a. A pregnant woman in a Wisconsin works group with an income that is equal to or less than 165% of the poverty line.

b. A child who has not attained the age of 6 in a Wisconsin works group with an income equal to or less than 165% of the poverty line.

c. A child who has attained the age of 6 and has not attained the age of 12 in a Wisconsin works group with an income that is equal to or less than 100% of the poverty line.

d. A child who has attained the age of 6 and has not attained the age of 12 in a Wisconsin works group with an income in excess of 100% of the poverty line if the total amount obligated or expended for medical care or other type of remedial care and for health insurance premiums, when subtracted from the Wisconsin works group's income, places the Wisconsin works group at or below 100% of the poverty line.

2. The individual fails to pay the established premium in a timely manner, as defined by the department of industry, labor and job development by rule.

(3g) **ELIGIBLE GROUPS.** Subject to the requirements under sub. (3), the following individuals are eligible for benefits and services under this section:

(a) *Wisconsin works groups.* Except as provided in par. (c), an individual who is a member of a Wisconsin works group, if all of the following conditions apply:

1. The individual meets the criteria under s. 49.145 (2) (c), (f), (g), (i), (L) and (m) and resides in this state.

2. The Wisconsin works group meets the asset limitation under s. 49.145 (3) (a). In determining the assets under this subdivision, the Wisconsin works agency shall exclude all of the resources specified under 42 USC 1382b (a) if any of the following conditions is met:

a. The group contains a child who has not attained the age of 6.

b. The group contains a child who has attained the age of 6 and has not attained the age of 12 and the gross income of the group, as determined under subd. 3., does not exceed 100% of the poverty line.

3. The gross income of the Wisconsin works group is at or below 165% of the poverty line, or, for a Wisconsin works group that is already receiving health care coverage under this section, the gross income is at or below 200% of the poverty line. In calculating the gross income of the Wisconsin works group, the Wisconsin works agency shall include income described under s. 49.145 (3) (b) 1. to 3.

(b) *Pregnant women.* A pregnant woman whose pregnancy has been medically verified and who has no dependent children, if she meets all of the following conditions:

1. The woman meets the criteria under s. 49.145 (2) (c), (g), (i), (L) and (m) and resides in this state.

2. The woman meets the asset limitation under s. 49.145 (3) (a). In determining the assets of the woman, the Wisconsin works agency shall exclude all of the resources specified under 42 USC 1382b (a).

3. The gross income of the woman is at or below 165% of the poverty line. In calculating gross income under this subdivision, the Wisconsin works agency shall include income described under s. 49.145 (3) (b) 1. and 3.

(c) *Minor parents.* An individual who is a custodial parent and who is under the age of 18, and any dependent children with respect to whom the individual is a custodial parent, only if the individual meets one of the following conditions:

1. The individual resides with his or her custodial parent and the gross income of the Wisconsin works group of which the individual is a member does not exceed 165% of the poverty line. In calculating the gross income of the Wisconsin works group, the Wisconsin works agency shall include income described under s. 49.145 (3) (b) 1. to 3.

2. The individual is in an independent living arrangement supervised by an adult and the gross income of the individual does not exceed 165% of the poverty line. In calculating the gross income of the individual, the Wisconsin works agency shall include income described under s. 49.145 (3) (b) 1. to 3.

(3m) **MEDICALLY NEEDY.** ~~(a) An individual who meets all of the requirements of sub. (3g) (a) or (c), except that the income calculated for the individual under sub. (3g) (a) 3. or (c) 1. or 2. exceeds the applicable income limit under sub. (3g) (a) 3. or (c) 1. or 2., is eligible for benefits and services under this section only if all of the excess income above the applicable limit has been obligated or expended for medical care or other type of remedial care.~~

(am) Notwithstanding par. (a) and sub. (3) (a) 2. a., (e) and (f) 1., if the individual is a pregnant woman or a child who has not attained the age of 6, and the individual meets all of the requirements of sub. (3g) (a), (b) or (c), except that the income calculated for the individual under sub. (3g) (a) 3., (b) 3. or (c) 1. or 2. exceeds the applicable

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income limit under sub. (3g) (a) 3., (b) 3. or (c) 1. or 2., the individual is eligible for benefits and services under this section if all of the excess income above the applicable limit has been obligated or expended for medical care or other type of remedial care or for personal health insurance premiums.

Vetoed (as) Notwithstanding par. (a) and sub. (3) (a) 2. a., **In Part** the individual is a child who has attained the age of 6 and has not attained the age of 12, and the individual meets all of the requirements of sub. (3g) (a) except that the income calculated for the individual under sub. (3g) (a) 3. exceeds the income level under sub. (3g) (a) 3., the individual is eligible for benefits and services under this section if the total amount obligated or expended for medical care or other type of remedial care and for health insurance premiums, when subtracted from the Wisconsin works group's income, places the Wisconsin works group at 100% of the poverty line.

(b) In determining the income for an individual under this subsection for purposes of determining the premium amount under sub. (4) (d), the Wisconsin works agency **Vetoed** shall exclude the excess income specified under par. (a), **In Part** (am) or (as).

(3p) PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN. (a) Notwithstanding sub. (3g) (a), (b) and (c), a pregnant woman is eligible under this subsection for ambulatory prenatal care services under this section during the period beginning on the day on which an authorized health care provider under contract under sub. (4) (a) determines, on the basis of preliminary information, that the woman's family income does not exceed 165% of the poverty line and that the woman's family's assets do not exceed the asset limits under s. 49.145 (3) (a). Eligibility under this subsection ends as follows:

1. If the woman applies under sub. (3g) (a), (b) or (c) for benefits and services under this section within the time required under par. (c), on the day on which the Wisconsin works agency determines whether the woman is eligible for benefits and services under sub. (3g) (a), (b) or (c).

2. If the woman does not apply under sub. (3g) (a), (b) or (c) for benefits and services under this section within the time required under par. (c), on the last day of the month following the month in which the health care provider makes the determination under this paragraph.

(c) A woman who is determined to be eligible under this subsection shall apply under sub. (3g) (a), (b) or (c) for benefits and services under this section within 14 days after the date on which the health care provider makes that determination.

(cm) A woman who receives services under this subsection is liable for a monthly premium payable in the amount and in the manner prescribed under sub. (4) (d) beginning with the first month in which she receives those services.

(d) A health care provider under contract under sub. (4) (a) that determines that a woman is eligible under this subsection for benefits and services under this section shall do all of the following:

1. Notify the Wisconsin works agency of that determination within 5 working days after the day on which the determination is made.

2. Notify the woman of the requirements under pars. (c) and (cm).

(e) The Wisconsin works agency shall provide health care providers under contract under sub. (4) (a) with application forms for benefits and services under this section and information on how to assist women in completing the forms.

(f) No provider may make more than one eligibility determination under this subsection with respect to an individual.

(4) ADMINISTRATION AND BENEFITS. (a) *Health maintenance organization contract.* The department of health and family services shall contract with health maintenance organizations or other health care providers, including federally qualified health centers, to provide health care services under this subsection. A health maintenance organization or other health care provider that contracts under this subsection shall meet the certification criteria established by the department of health and family services under s. 49.45 (2) (a) 11.

(b) *Health care services provided.* 1. Except as provided in subd. 2., the Wisconsin works health plan shall cover the care and services specified under s. 49.46 (2).

1m. The Wisconsin works health plan shall cover in-home psychotherapy for individuals who are under the age of 21 if the in-home psychotherapy is prescribed pursuant to a physical examination under 42 USC 1396 (r) (1).

1s. The Wisconsin works health plan shall cover insulin if it is prescribed by a physician.

2. Except as otherwise required under a federal waiver received under 42 USC 1315, the Wisconsin works health plan shall not cover the following goods and services:

a. Home care, as defined in s. 632.895 (1) (b), in excess of the minimum required under s. 632.895 (2).

b. Skilled nursing care in excess of the minimum required under s. 632.895 (3).

c. Over-the-counter drugs.

d. Treatment of alcoholism or other drug abuse problems in excess of the minimum coverage required under s. 632.89 (2).

e. Services described under 42 USC 1396d (r) (5), unless the services are otherwise covered under this section.

(bm) *Abortion coverage excluded.* 1. In this paragraph:

a. "Abortion" means the intentional destruction of the life of an unborn child.

b. "Unborn child" means a human being from the time of conception until it is born alive.

2. Except as provided in subd. 3., each contract that is entered into under par. (a) shall explicitly provide that it does not include coverage for the performance of an abortion.

3. This paragraph does not apply to any of the following:

a. The performance by a physician of an abortion which is directly and medically necessary to save the life of the woman or in a case of sexual assault or incest, provided that prior thereto the physician signs a certification which so states, and provided that, in the case of sexual assault or incest the crime has been reported to the law enforcement authorities. The certification shall be affixed to the claim form or invoice when submitted to any agency or fiscal intermediary of the state for payment or when submitted by an individual health care provider to the coverage provider for payment or for submittal to any agency or fiscal intermediary of the state for payment, and shall specify and attest to the direct medical necessity of the abortion upon the best clinical judgment of the physician or attest to his or her belief that sexual assault or incest has occurred.

b. The performance by a physician of an abortion if, due to a medical condition existing prior to the abortion, the physician determines that the abortion is directly and medically necessary to prevent grave, long-lasting physical health damage to the woman, provided that prior thereto the physician signs a certification which so states. The certification shall be affixed to the claim form or invoice when submitted to any agency or fiscal intermediary of the state for payment or when submitted by an individual health care provider to the coverage provider for payment or for submittal to any agency or fiscal intermediary of the state for payment, and shall specify and attest to the direct medical necessity of the abortion upon the best clinical judgment of the physician.

c. The authorization or payment of funds to a physician or surgeon or a hospital, clinic or medical facility for or in connection with the prescription of a drug or the insertion of a device to prevent the implantation of a fertilized ovum.

4. Quarterly, as determined by the department of health and family services, following any annual quarter in which health care services have been provided under coverage that is affected by this paragraph, the coverage provider shall submit a written report to the agency which contracted for the services of the provider. The report shall specify the number of abortions provided in the previous quarter by the provider to individuals who have coverage for the abortion under this subsection, as permitted under subd. 3. a. or b., the reason for each abortion, and the total cost of each abortion.

5. A copy of each report submitted under subd. 4. shall be forwarded to the department of health and family

services, which shall review the data for compliance with this paragraph and annually publish a summary of the information obtained under this subdivision.

(c) *Distribution of payments.* From the appropriations under s. 20.435 (1) (b) and (o), the department of health and family services shall make payments to a health maintenance organization or other health care provider with which the department of health and family services has contracted under par. (a) in accordance with a payment schedule established by contract.

(d) *Premiums.* 1. Subject to a modification made pursuant to subd. 2, an individual who receives the Wisconsin works health plan shall pay, in the manner prescribed in subd. 3., the following monthly premium:

a. For an individual with an income equal to or less than 159% of the poverty line, \$20.

b. For an individual with an income greater than 159% of the poverty line and not greater than 200% of the poverty line, \$20 plus \$3 for every percentage point by which the individual's income exceeds 159%.

2. The department of health and family services may submit a proposal to the joint committee on finance to modify the premium amounts under subd. 1. If, within 14 days after the date of receipt of the department's proposal, the cochairpersons of the committee do not notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed modifications, the department of health and family services may make the modifications specified in the proposal. If, within 14 days after the date of receipt of the department's proposal, the cochairpersons of the committee notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed modifications, the department of health and family services may not make the modifications specified in the proposal until the committee approves the proposal.

3. Payment of the premium shall be made as follows:

a. For a participant in a trial job, the Wisconsin works agency shall deduct the premium from the subsidy that is paid to the employer under s. 49.147 (3) (a). The employer shall deduct the premium from the trial job participant's wages.

b. For a participant in a community service job or transitional placement, the Wisconsin works agency shall deduct the premium from the participant's monthly grant amount under s. 49.148 (1) (b) or (c).

c. For an individual not specified under subd. 3. a. or b., the individual shall pay the premium directly to the Wisconsin works agency, or, if the individual and his or her employer agree, the individual's employer may deduct the premium from the individual's payroll and pay the premium to the Wisconsin works agency.

4. The Wisconsin works agency shall remit to the department of industry, labor and job development in the manner prescribed by the department of industry, labor

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cochairpersons of the committee notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed modifications, the department may not make the modifications specified in the proposal until the committee approves the proposal.

(6) CHILD CARE RATES AND QUALITY STANDARDS. (a) The department shall establish the maximum rate that a county department under s. 46.215, 46.22 or 46.23 may pay for child care services provided under this section. The department shall set the rate so that at least 75% of the number of places for children within the licensed capacity of all child care providers in each county or in a multicounty area determined by the department can be purchased at or below that maximum rate.

(b) The department shall set a maximum rate that a county department under s. 46.215, 46.22 or 46.23 may pay for Level I certified family day care providers for services provided to eligible individuals. The maximum rate set under this paragraph may not exceed 75% of the rate established under par. (a).

(c) The department shall set a maximum rate that a county department under s. 46.215, 46.22 or 46.23 may pay for Level II certified family day care providers for services provided to eligible individuals. The maximum rate set under this paragraph may not exceed 50% of the rate established under par. (a).

(d) The department may establish a system of rates for child care programs that exceed the quality of care standards required for licensure under s. 48.65 or for certification under s. 48.651 (1) (a).

(7) REFUSAL TO PAY CHILD CARE PROVIDERS. (a) The department or the county department under s. 46.215, 46.22 or 46.23 may refuse to pay a child care provider for child care provided under this section if any of the following applies to the child care provider, employe or person living on the premises where child care is provided:

1. The person has been convicted of a felony or misdemeanor that the department or county department determines substantially relates to the care of children.
2. The person is the subject of a pending criminal charge that the department or county department determines substantially relates to the care of children.
3. The person has been determined under s. 48.981 to have abused or neglected a child.

Vetoed In Part (b) The department shall promulgate rules establishing the method by which a determination under par. (a) is made.

SECTION 95. 49.157 of the statutes is created to read: 49.157 Wisconsin works; transportation assistance. A Wisconsin works agency may provide transportation assistance in the manner prescribed by the department by rule. The Wisconsin works agency shall limit any financial assistance granted under this subsection to financial assistance for public transportation if a form of public transportation that meets the needs of the participant is available.

SECTION 96. 49.159 of the statutes is created to read: 49.159 Wisconsin works; noncustodial and minor and other custodial parents. (1) NONCUSTODIAL PARENTS. (a) An individual who would be eligible under s. 49.145 except that the individual is the noncustodial parent of a dependent child, is eligible for services under this subsection if the dependent child's custodial parent is a participant and if the individual is subject to a child support order. The Wisconsin works agency may provide job search assistance and case management designed to enable eligible noncustodial parents to obtain and retain employment.

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(b) An individual who would be eligible under s. 49.145 except that the individual is the noncustodial parent of a dependent child may participate in a Wisconsin works employment position if all of the following conditions are met:

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1. The custodial parent of the dependent child meets the income requirements under s. 49.145 (3) (b).
2. The custodial parent of the dependent child is not a participant in a Wisconsin works employment position.
3. The individual is subject to a child support order for the dependent child.

(2) MINOR CUSTODIAL PARENTS; FINANCIAL AND EMPLOYMENT COUNSELING. A custodial parent who is under the age of 18 is eligible, regardless of that individual's or that individual's parent's income or assets, to meet with a financial and employment planner. The financial and employment planner may provide the individual with information regarding Wisconsin works eligibility, available child care services, employment and financial planning, family planning services, community resources, eligibility for food stamps and other food and nutrition programs.

(3) OTHER CUSTODIAL PARENTS. A custodial parent in a Wisconsin works group in which the other custodial parent is a participant in a Wisconsin works employment position is eligible for employment training and job search assistance services provided by the Wisconsin works agency.

(4) PREGNANT WOMEN. A pregnant woman whose pregnancy is medically verified who would be eligible under s. 49.145 except that she is not a custodial parent of a dependent child is eligible for employment training and job search assistance services provided by the Wisconsin works agency.

SECTION 97. 49.161 of the statutes is created to read: 49.161 Wisconsin works; overpayments. (1) TRIAL JOBS OVERPAYMENTS. Notwithstanding s. 49.96, the department shall recover an overpayment of benefits paid under s. 49.148 (1) (a) from an individual who receives or has received benefits paid under s. 49.148 (1) (a). The value of the benefit liable for recovery under this subsection may not exceed the amount that the department paid in wage subsidies with respect to that participant while the participant was ineligible to participate.

The department shall promulgate rules establishing policies and procedures for administrating this subsection.

(2) **COMMUNITY SERVICE JOBS AND TRANSITIONAL PLACEMENTS OVERPAYMENTS.** Except as provided in sub. (3), the department shall recover an overpayment of benefits paid under s. 49.148 (1) (b) and (c) from an individual who continues to receive benefits under s. 49.148 (1) (b) and (c) by reducing the amount of the individual's benefit payment by no more than 10%.

(3) **OVERPAYMENTS CAUSED BY INTENTIONAL PROGRAM VIOLATIONS.** If an overpayment under sub. (1) or (2) is the result of an intentional violation of ss. 49.141 to 49.161 or of rules promulgated by the department under those sections, the department shall recover the overpayment by deducting an amount from the benefits received under s. 49.148 (1) (a), (b) or (c), until the overpayment is recovered. The amount to be deducted each month may not exceed the following:

(a) For intentional program violations resulting in an overpayment that is less than \$300, 10% of the amount of the monthly benefit payment.

(b) For intentional program violations resulting in an overpayment that is at least \$300 but less than \$1,000, \$75.

(c) For intentional program violations resulting in an overpayment that is at least \$1,000 but less than \$2,500, \$100.

(d) For intentional program violations resulting in an overpayment that is \$2,500 or more, \$200.

SECTION 99g. 49.185 of the statutes is created to read:
49.185 Employment skills advancement program.

(1) **DEFINITIONS.** In this section:

(a) "Custodial parent" has the meaning given in s. 49.141 (1) (b).

(b) "Dependent child" has the meaning given in s. 49.141 (1) (c).

(c) "Family" means an individual who is a custodial parent, all dependent children with respect to whom the individual is a custodial parent and all dependent children with respect to whom the individual's dependent child is a custodial parent. "Family" includes any nonmarital coparent, as defined in s. 49.141 (1) (i), or any spouse of the individual who resides in the same household as the individual and any dependent children with respect to whom the spouse or nonmarital coparent is a custodial parent. "Family" does not include any person who is receiving benefits under s. 49.027 (3) (b).

(2) **GRANTS.** A person contracting with the department under sub. (4) may make an employment skills advancement grant of up to \$500 to an individual eligible under sub. (3) for tuition, books, transportation or other direct costs of training or education in a vocational training or education program.

(3) **ELIGIBILITY.** An individual is eligible for an employment skills advancement grant only if all of the following eligibility requirements are met:

(a) The training or education is approved by the person contracting with the department under sub. (4) as part of a career training or education plan that will lead to increased income.

(b) The individual is at least 18 years of age and is a custodial parent of a minor child.

(c) The individual has been determined eligible for aid under s. 49.19 or for a Wisconsin works employment position under s. 49.145 within 5 years before applying for a grant.

(d) The individual has been employed in an unsubsidized job for at least 9 consecutive months before applying for a grant.

(e) The individual is working an average of at least 40 hours per week, unless the employer and the person contracting with the department under sub. (4) agree that the person may work fewer hours.

(f) The assets of the individual's family do not exceed \$2,500 in combined equity value, excluding the equity value of vehicles up to a total equity value of \$10,000 and one home in which the family lives.

(g) The income of the individual's family does not exceed 165% of the poverty line.

(h) The individual has sought other forms of assistance, as required by the department by rule.

(i) The individual contributes an amount at least equal to the amount of the grant, and obtains funding from other sources in an amount at least equal to the amount of the grant, for tuition, books, transportation or other direct costs of the training or education.

(j) The amount of the grant plus the amount of any grant that that individual has previously received under this section does not exceed \$500.

(4) **ADMINISTRATION.** The department may contract with any person to administer the program under this section. The department shall contract with one person to administer the program in each area of the state, as determined by the department.

(5) **APPLICABILITY.** This section applies beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 99m. 49.19 (4) (h) 1. b. of the statutes is amended to read:

49.19 (4) (h) 1. b. Except as provided under sub. (5) (a) 1m., when any person applies for or receives aid under this section, any right of the parent or any dependent child to support or maintenance from any other person, including any right to unpaid amounts accrued at the time of application and any right to amounts accruing during the time aid is paid under this section, is assigned to the state. If a minor who is a beneficiary of aid under this section is also the beneficiary of support under a judgment or order that includes support for one or more children not receiving aid under this section, any support payment made under the judgment or order is assigned to the state in the amount that is the proportionate share of the minor re-

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ceiving aid under this section, except as otherwise ordered by the court on the motion of a party. Amounts assigned to the state under this subd. 1. b. remain assigned to the state until that amount of aid paid that represents the amount due as support or maintenance has been recovered. No amount of support that begins to accrue after aid under this section is discontinued for the recipient may be considered assigned to this state.

SECTION 100. 49.19 (4e) (a) of the statutes is amended to read:

49.19 (4e) (a) ~~Except as provided in par. (b),~~ If a person applying for aid is under 18 years of age, has never married and is pregnant or has a dependent child in his or her care, the person is not eligible for aid unless he or she lives in a place maintained by his or her parent, legal guardian or other adult relative as the parent's, guardian's or other adult relative's own home or lives in a foster home, treatment foster home, maternity home or other supportive living arrangement supervised by an adult.

SECTION 101. 49.19 (4e) (c) of the statutes is created to read:

49.19 (4e) (c) The department shall request a waiver from the secretary of the federal department of health and human services to require, without exception, that a person applying for aid who is under 18 years of age, has never married and is pregnant or has a dependent child in his or her care meet the requirements of par. (a). If a waiver is granted and in effect, par. (b) does not apply.

SECTION 103d. 49.19 (11) (b) of the statutes, as affected by 1995 Wisconsin Act 27, section 2865n, is renumbered 49.138, and 49.138 (1) (intro.), as renumbered, is amended to read:

49.138 (1) (intro.) The department shall implement a program of emergency assistance to needy persons in cases of fire, flood, natural disaster, homelessness or energy crisis. Eligibility shall not exceed the limitations for federal participation defined by applicable federal laws and regulations, including 45 CFR 233.120. The department shall establish the maximum amount of aid to be granted, except for cases of energy crisis, per family member based on the funding available under s. 20.445 (3) (dc) and (p). The department need not establish the maximum amount by rule under ch. 227. The department shall publish the maximum amount and annual changes to it in the Wisconsin administrative register. Emergency assistance provided to needy persons under this paragraph section in cases of homelessness may be used only to obtain a permanent living accommodation and, except as provided in sub. (2), may only be provided to a needy person once in a 36-month period. For the purposes of this paragraph section, a family is considered to be homeless if any of the following applies:

SECTION 104. 49.19 (20) of the statutes is renumbered 49.19 (20) (a) and amended to read:

49.19 (20) (a) ~~After December 31, 1998, Beginning on January 1, 1999, or beginning on the first day of the~~

6th month beginning after the date stated in the notice under s. 49.141 (2) (d), whichever is sooner, no person is eligible to receive benefits under this section and no aid may be granted under this section. No additional notice, other than the enactment of this subsection paragraph, is required to be given under sub. (13) to recipients of aid under this section to terminate their benefits under this subsection paragraph.

SECTION 105. 49.19 (20) (b) of the statutes is created to read:

49.19 (20) (b) 1. The department shall request a waiver from the secretary of the federal department of health and human services to allow the application of subd. 2. Subdivision 2. does not apply unless a waiver under this subdivision is granted and in effect.

2. Notwithstanding par. (a):

a. If a nonlegally responsible relative is receiving aid under this section on behalf of a dependent child on July 1, 1996, no aid under this section may be paid to the nonlegally responsible relative after June 30, 1997, or the first reinvestigation under sub. (5) (e) occurring after June 30, 1996, whichever is earlier.

b. If a nonlegally responsible relative is not receiving aid under this section on behalf of a dependent child on July 1, 1996, no aid under this section may be paid to the nonlegally responsible relative after June 30, 1996.

SECTION 106c. 49.191 (1) (b) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.191 (1) (b) Within the limits of funds available under ss. 20.435 (3) (jg) and 20.445 (3) (cn) and (na), the department shall provide funds for individuals who are working and who receive aid to families with dependent children to pay child care costs in excess of the amount of the child care disregard under s. 49.19 (5) (a) and child care costs incurred before the child care disregard under s. 49.19 (5) (a) becomes available if the child care is provided by a child care provider. This paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 107. 49.191 (2) of the statutes, as affected by 1995 Wisconsin Act 27, section 3093c, is amended to read:

49.191 (2) CHILD CARE FUNDS FOR FORMER RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN. The department shall pay the child care costs of an individual who secures unsubsidized employment and loses eligibility for aid to families with dependent children because of earned income or number of hours worked for up to 12 months following the loss of eligibility if the child care is provided by a child care provider. The department shall establish a formula for assistance based on ability to pay. The rates for child care services under this subsection shall be determined under s. 46.98 (4) (d), (dg) or (dm), whichever is applicable, or, if a higher rate is established under s. 46.98 (4) (e) and if the child care services

meet the quality standards established under s. 46.98 (4) (e), the rates for child care services under this subsection that meet those standards shall be determined under s. 46.98 (4) (e). The department shall promulgate rules for the disbursement of funds under this subsection. This subsection does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 108. 49.191 (3) (a) and (b) of the statutes, as affected by 1995 Wisconsin Act 27, are repealed and recreated to read:

49.191 (3) (a) County departments under ss. 46.215, 46.22 and 46.23 shall administer the funds appropriated for the purpose of providing child care under subs. (1) and (2) for recipients and former recipients of aid under s. 49.19 and under s. 49.26 (1) (e) for participants in the learnfare program. The department shall allocate funds to county departments under ss. 46.215, 46.22 and 46.23 for the purposes of this paragraph.

(b) Beginning on January 1, 1994, a county department under s. 46.215, 46.22 or 46.23 may, with the approval of the department, provide payment for, or reimbursement of, child care under sub. (1) or s. 49.193 (8) using funds allocated under par. (a). The department shall approve or disapprove this use of funds under criteria established to maximize state and federal funding available for child care.

SECTION 109. 49.193 (2) (a) of the statutes, as affected by 1995 Wisconsin Act 12, is amended to read:

49.193 (2) (a) The Except as provided in par. (am), the department shall ensure that all persons required under 42 USC 602 (a) (19) and 42 USC 681 to 687 to participate in a job opportunities and basic skills training program participate in the program under this section. In addition, the department shall require a parent or other caretaker relative of a child who is at least one year of age to participate in the program under this section on a full-time basis, unless the parent or other caretaker relative is exempt from participation in the program for a reason other than being a parent or other caretaker of a child under 3 years of age.

SECTION 110. 49.193 (2) (am) of the statutes is created to read:

49.193 (2) (am) 1. The department shall request a waiver from the secretary of the federal department of health and human services to permit the application of subd. 2. If a waiver is granted and in effect, the department shall implement subd. 2. no later than the first day of the 2nd month beginning after the waiver is approved.

2. If a waiver is granted and in effect, the department shall require a parent or other caretaker relative of a child who is at least 12 weeks of age to participate in the program under this section on a full-time basis, unless the parent or other caretaker relative is exempt from participation for a reason other than being a parent or other caretaker of a child under 3 years of age.

SECTION 111. 49.193 (4) (g) of the statutes is amended to read:

49.193 (4) (g) Work supplementation, as described in 45 CFR 250.62, in which participation is voluntary mandatory.

SECTION 112m. 49.193 (4) (j) 4. of the statutes is amended to read:

49.193 (4) (j) 4. Postsecondary education and vocational skills training for individuals who, as of December 1, 1995, are enrolled in postsecondary education or vocational skills training under this subdivision and are participating satisfactorily as determined by the agency administering the job opportunities and basic skills program. This subdivision does not apply after June 30, 1997.

SECTION 113. 49.193 (4) (k) 1m. of the statutes is created to read:

49.193 (4) (k) 1m. Alcohol and other drug abuse prevention, assessment and treatment programs.

SECTION 114. 49.193 (4m) of the statutes is created to read:

49.193 (4m) ALCOHOL AND OTHER DRUG ABUSE PREVENTION AND TREATMENT PROGRAM. The department may require participation in an alcohol and other drug abuse assessment, prevention and treatment program to fulfill employment and training requirements described in this section.

SECTION 115. 49.193 (6) (c) of the statutes is amended to read:

49.193 (6) (c) No Except as provided in par. (e), no person may be required to work more than 32 hours per week in a community work experience component. No person may be required to work more than 16 weeks in a component under this subsection during a 12-month period, except that a person who is eligible for aid under s. 49.19 (4) (dm) may be required to work for more than 16 weeks in a component under this subsection in order to comply with 45 CFR 250.33.

SECTION 116. 49.193 (6) (e) of the statutes is created to read:

49.193 (6) (e) The department shall request a waiver from the secretary of the federal department of health and human services to allow the department to require a person to work, without regard to the person's grant amount under s. 49.19, not more than 40 hours per week in a community work experience component and not more than 6 months in a component under this subsection during a 12-month period. If the waiver is granted and in effect, the department may require a person to work not more than 40 hours per week in a community work experience component. If a waiver is granted and in effect, the department may require a person to work not more than 6 months in a component under this subsection during a 12-month period, except that the department may require a person who is eligible for aid under s. 49.19 (4) (dm) to

work for more than 6 months in a component under this subsection in order comply with 45 CFR 250.33.

SECTION 117m. 49.193 (7) of the statutes is amended to read:

49.193 (7) **POSTSECONDARY EDUCATION.** The department shall, by rule, define allowable or satisfactory participation in postsecondary education and vocational skills training activities. This subsection does not apply June 30, 1997.

SECTION 118. 49.193 (8) (a) of the statutes, as affected by 1995 Wisconsin Act 12, is amended to read:

49.193 (8) (a) The department shall pay child care costs of persons with approved employability plans who are participating in the program under this section and of persons who are participating in orientation and job search activities required under sub. (3m). Payment or reimbursement shall be in an amount based on need, with the maximum amount per child equal to the lesser of the actual cost of care or the rate established under s. 46.98 (4) (d), ~~(dg) or (dm), whichever is applicable,~~ or, if a higher rate is established under s. 46.98 (4) (e) and if the child care meets the quality standards established under s. 46.98 (4) (e), payment or reimbursement for child care that meets those standards shall be in an amount based on need, with the maximum amount per child equal to the lesser of the actual cost of the care or the rate established under s. 46.98 (4) (e).

SECTION 119. 49.193 (8) (bm) of the statutes is amended to read:

49.193 (8) (bm) Beginning on January 1, 1994, a county department under s. 46.215, 46.22 or 46.23 that receives funds to pay or reimburse child care costs under this subsection ~~or under s. 49.50 (6e) (a)~~ may, with the approval of the department, use those funds to pay or reimburse child care costs under s. 49.50 (6e) (b), (6g) or (7) (e). The department shall approve or disapprove of this use of funds under criteria established to maximize state and federal funding available for child care.

SECTION 120. 49.193 (8) (bm) of the statutes, as affected by 1995 Wisconsin Acts 27 and (this act), is repealed and recreated to read:

49.193 (8) (bm) Beginning on January 1, 1994, a county department under s. 46.215, 46.22 or 46.23 that receives funds to pay or reimburse child care costs under this subsection may, with the approval of the department, use those funds to pay or reimburse child care costs under s. 49.191 (1) or (2) or 49.26 (1) (e). The department shall approve or disapprove of this use of funds under criteria established to maximize state and federal funding available for child care.

SECTION 121. 49.193 (9m) (a) of the statutes, as created by 1995 Wisconsin Act 12, is renumbered 49.193 (9m) (am).

SECTION 122. 49.193 (9m) (ag) of the statutes is created to read:

49.193 (9m) (ag) In this subsection, "recipient" includes the head of household of an aid to families with dependent children case, regardless of whether the needs of the head of household are not considered as the result of a sanction.

SECTION 125. 49.193 (12) of the statutes is created to read:

49.193 (12) **SUNSET.** Beginning on January 1, 1999, or beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d), whichever is sooner, no person is eligible to receive benefits under this section and no aid may be granted under this section. No additional notice, other than enactment of this subsection, is required to be given to recipients of aid under this section to terminate their benefits under this subsection.

SECTION 126. 49.195 (title) of the statutes is amended to read:

49.195 (title) **Recovery of aid to families with dependent children and Wisconsin works benefits.**

SECTION 127. 49.195 (1) of the statutes is amended to read:

49.195 (1) If any parent at the time of receiving aid under s. 49.19 or a benefit under s. 49.148, 49.153, 49.155 or 49.157 or at any time thereafter acquires property by gift, inheritance, sale of assets, court judgment or settlement of any damage claim, or by winning a lottery or prize, the county granting such aid, or the Wisconsin works agency granting such a benefit, may sue the parent on behalf of the department to recover the value of that portion of the aid or of the benefit which does not exceed the amount of the property so acquired. The value of the aid or benefit liable for recovery under this section may not include the value of work performed by a member of the family in a community work experience program under s. 46.215 (1) (o), 1991 stats., s. 46.22 (1) (b) 11., 1991 stats., or s. 49.50 (7j) (d), 1991 stats., or in a community work experience component under s. 49.193 (6). During the life of the parent, the 10-year statute of limitations may be pleaded in defense against any suit for recovery under this section; and if such property is his or her homestead it shall be exempt from execution on the judgment of recovery until his or her death or sale of the property, whichever occurs first. Notwithstanding the foregoing restrictions and limitations, where the aid or benefit recipient is deceased a claim may be filed against any property in his or her estate and the statute of limitations specified in s. 859.02 shall be exclusively applicable. The court may refuse to render judgment or allow the claim in any case where a parent, spouse or child is dependent on the property for support, and the court in rendering judgment shall take into account the current family budget requirement as fixed by the U.S. department of labor for the community or as fixed by the authorities of the community in charge of public assistance. The records

of aid or benefits paid kept by the county or, by the department or by the Wisconsin works agency are prima facie evidence of the value of the aid or benefits furnished. Liability under this section shall extend to any parent or stepparent whose family receives aid under s. 49.19 or benefits under s. 49.148, 49.155 or 49.157 during the period that he or she is a member of the same household, but his or her liability is limited to such period. This section does not apply to medical and health assistance payments for which recovery is prohibited or restricted by federal law or regulation.

SECTION 128. 49.195 (3) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.195 (3) Notwithstanding s. 49.96, the department shall promptly recover all overpayments made under s. 49.19, 49.148, 49.153, 49.155 or 49.157 and shall promulgate rules establishing policies and procedures to administer this subsection.

SECTION 131. 49.197 (3) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.197 (3) **STATE ERROR REDUCTION ACTIVITIES.** The department shall conduct activities to reduce payment errors in medical assistance under subch. IV, Wisconsin works under ss. 49.141 to 49.161, aid to families with dependent children under s. 49.19 and the food stamp program under 7 USC 2011 to 2029. The department shall fund the activities under this section from the appropriation under s. 20.445 (4) (L).

SECTION 136. 49.21 (1) (c) of the statutes is created to read:

49.21 (1) (c) This subsection does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 137. 49.25 (10) of the statutes is created to read:

49.25 (10) **SUNSET.** Beginning on January 1, 1999, or beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d), whichever is sooner, no person is eligible to receive benefits under this section and no aid may be granted under this section. No additional notice, other than enactment of this subsection, is required to be given to recipients of aid under this section to terminate their benefits under this subsection.

SECTION 138. 49.26 (title) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (title) **Learnfare pilot program.**

SECTION 139. 49.26 (1) (e) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (e) For an individual who is a recipient of aid under s. 49.19, or whose custodial parent is a participant under s. 49.147 (3) to (5), who is the parent with whom a dependent child lives and who is either subject to the school attendance requirement under par. (ge) or is under 20 years of age and wants to attend school, the department shall make a monthly payment to the individual

or the child care provider for the month's child care costs in an amount based on need with the maximum amount per child equal to the lesser of the actual cost of the care or the rate established under s. 46.98 (4) (d) ~~or, if a higher rate is established under s. 46.98 (4) (e) and if the child care meets the quality standards established under s. 46.98 (4) (e), in an amount based on need with the maximum amount per child equal to the lesser of the actual cost of the care or the rate established under s. 46.98 (4) (e)~~, 49.155 (6) if the individual demonstrates the need to purchase child care services in order to attend school and those services are available from a child care provider.

SECTION 140. 49.26 (1) (g) (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (g) (intro.) An individual who is a dependent child in a Wisconsin works group that includes a participant under s. 49.147 (3), (4) or (5) or who is a recipient of aid under s. 49.19 is subject to the school attendance requirement under par. (ge) if all of the following apply:

SECTION 141. 49.26 (1) (g) 1. of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (g) 1. Before the first day of the fall 1994 school term, as defined in s. 115.001 (12), the individual is 13 to 19 years of age. Beginning on the first day of the fall 1994 ~~1997~~ school term, as defined in s. 115.001 (12), the individual is ~~13 to~~ 19 years of age ~~or the individual lives in a county designated by the department under par. (j) and is required to attend school under that paragraph.~~

SECTION 142. 49.26 (1) (gm) (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (gm) (intro.) The first time that an individual fails to meet the school attendance requirement under par. (ge), the county department under s. 46.215, 46.22 or 46.23 or the Wisconsin works agency shall do all of the following:

SECTION 142m. 49.26 (1) (h) 1. (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (h) 1. (intro.) An individual who is 6 to 12 years of age and who fails to meet the school attendance requirement under par. (ge) is subject to sanctions as provided by the department by rule under subd. 1s, only if all of the following apply:

SECTION 143. 49.26 (1) (h) 1. a. of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (h) 1. a. The county department under s. 46.215, 46.22 or 46.23 or Wisconsin works agency complies with par. (gm).

SECTION 143g. 49.26 (1) (h) 1m. (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (h) 1m. (intro.) An individual who is 13 to 19 years of age and who fails to meet the school attendance requirement under par. (ge) is subject to sanctions

as provided by the department by rule under subd. 1s. only if all of the following apply:

SECTION 143m. 49.26 (1) (h) 1s. of the statutes is created to read:

49.26 (1) (h) 1s. a. Except as provided under subd. 1s. b., an individual who fails to meet the school attendance requirement under par. (ge) is subject to sanctions determined by the department by rule.

b. An individual who is a dependent child in a Wisconsin works group that includes a participant under s. 49.147 (3), (4) or (5) and who fails to meet the school attendance requirement under par. (ge) is subject to a monthly sanction of \$50.

Vetoed In Part SECTION 144. 49.26 (1) (hm) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (hm) The department may require consent to the release of school attendance records, under s. 118.125 (2) (e), as a condition of eligibility for benefits under s. 49.147 (3) to (5) or aid under s. 49.19.

SECTION 145. 49.26 (1) (hr) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.26 (1) (hr) If an individual subject to the school attendance requirement under par. (ge) is enrolled in a public school, communications between the school district and the department or, a county department under s. 46.215, 46.22 or 46.23 or a Wisconsin works agency concerning the individual's school attendance may only be made by a school attendance officer, as defined under s. 118.16 (1) (a).

SECTION 146. 49.26 (1) (j) of the statutes, as affected by 1995 Wisconsin Act 27, is repealed.

SECTION 147m. 49.27 (3) (a), (b) and (c) and (4) (a) (intro.) of the statutes are amended to read:

49.27 (3) (a) The person resides in a pilot county; is receiving, or is the caretaker of a child who is receiving, aid to families with dependent children benefits, other than benefits under s. 49.19 (10) or s. 49.19 (11) (b), 1993 stats., on January 1, 1995; and has had a regularly scheduled reinvestigation under s. 49.19 (5) (e) after January 1, 1995.

(b) The person resides in a pilot county and applies for aid to families with dependent children benefits, other than benefits under s. 49.19 (10) or s. 49.19 (11) (b), 1993 stats., for himself or herself or for a dependent child, on or after January 1, 1995.

(c) The person moves to a pilot county on or after January 1, 1995, and, at the time of the move, the person is receiving, or is the caretaker of a child who is receiving, aid to families with dependent children benefits, other than benefits under s. 49.19 (10) or s. 49.19 (11) (b), 1993 stats.

(4) (a) *Relation with other public assistance benefits.* (intro.) Except as determined under this subsection or sub. (7) or (11) (a) to (f), a member of a work-not-welfare group may not receive an aid to families with dependent children benefit, other than aid to families with de-

pendent children benefits under s. 49.19 (10) or s. 49.19 (11) (b), 1993 stats. Except as determined under this subsection or sub. (11) (a) to (f), a member of a work-not-welfare group may not receive food stamp benefits under 7 USC 2011 to 2029 for a month unless one of the following conditions is met:

SECTION 148. 49.27 (5) (e) 2. of the statutes is repealed.

SECTION 149. 49.27 (6) (c) of the statutes is amended to read:

49.27 (6) (c) *Benefits.* A county department under s. 46.215, 46.22 or 46.23 shall provide assistance in paying the child care costs of a work-not-welfare group that is eligible to receive benefits under this paragraph if the child care is provided by a child care provider, as defined in s. 46.98 (1) (am). The formula for determining the amount of assistance shall be the same as the formula established by the department under s. 49.50 (6g). The rates for child care services under this paragraph shall be determined under s. 46.98 (4) (d), (dg) or (dm), whichever is applicable, or, if a higher rate is established under s. 46.98 (4) (e) and if the child care services meet the quality standards established under s. 46.98 (4) (e), the rates for child care services under this paragraph that meet those standards shall be determined under s. 46.98 (4) (e). The department shall promulgate rules for the disbursement of funds under this paragraph.

SECTION 150. 49.27 (13) of the statutes is created to read:

49.27 (13) *SUNSET.* Beginning on January 1, 1999, or beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d), whichever is sooner, no person is eligible to receive benefits under this section and no aid may be granted under this section. No additional notice, other than enactment of this subsection, is required to be given to recipients of aid under this section to terminate their benefits under this subsection.

SECTION 151. 49.30 (1) (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, section 2922, is amended to read:

49.30 (1) (intro.) Except as provided in sub. (1m), if any recipient of benefits under s. 49.148, 49.46 or 49.77, or under 42 USC 1381 to 1385 in effect on May 8, 1980, dies and the estate of the deceased recipient is insufficient to pay the funeral, burial and cemetery expenses of the deceased recipient, the county or applicable tribal governing body or organization responsible for burial of the recipient shall pay, to the person designated by the county department under s. 46.215, 46.22 or 46.23 or applicable tribal governing body or organization responsible for the burial of the recipient, all of the following:

SECTION 152. 49.32 (7) (a) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.32 (7) (a) The department shall conduct a program to periodically verify the eligibility of recipients of aid to

families with dependent children under s. 49.19 and of participants in Wisconsin works under ss. 49.141 to 49.161 through a check of school enrollment records of local school boards as provided in s. 118.125 (2) (i).

SECTION 153. 49.32 (9) (a) of the statutes, as affected by 1995 Wisconsin Act 27 is amended to read:

49.32 (9) (a) Each county department under s. 46.215, 46.22 or 46.23 administering aid to families with dependent children shall maintain a monthly report at its office showing the names and addresses of all persons receiving such aid together with the amount paid during the preceding month. Each Wisconsin works agency administering Wisconsin works under ss. 49.141 to 49.161 shall maintain a monthly report at its office showing the names and addresses of all persons receiving benefits under s. 49.148 together with the amount paid during the preceding month. Nothing in this paragraph shall be construed to authorize or require the disclosure in the report of any information (names, addresses, amounts of aid or otherwise) pertaining to adoptions, or aid furnished for the care of children in foster homes or treatment foster homes under s. ~~42.261~~ or 49.19 (10).

SECTION 154. 49.32 (9) (b) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.32 (9) (b) The report under par. (a) shall be open to public inspection at all times during regular office hours and may be destroyed after the next succeeding report becomes available. Any person except any public officer, seeking permission to inspect such report shall be required to prove his or her identity and to sign a statement setting forth his or her address and the reasons for making the request and indicating that he or she understands the provisions of par. (c) with respect to the use of the information obtained. The use of a fictitious name is a violation of this section. Within 72 hours after any such record has been inspected, the county department or Wisconsin works agency shall mail to each person whose record was inspected a notification of that fact and the name and address of the person making such inspection. The county department or Wisconsin works agency shall keep a record of such requests.

SECTION 155. 49.32 (10) (title) of the statutes, as created by 1995 Wisconsin Act 27, is amended to read:

49.32 (10) (title) RELEASE OF RECIPIENT'S ADDRESSES INFORMATION TO LAW ENFORCEMENT OFFICERS.

SECTION 156. 49.32 (10) of the statutes, as affected by 1995 Wisconsin Act 27, is renumbered 49.32 (10) (a), and 49.32 (10) (a) (intro.) and 2. b. and c., as renumbered, are amended to read:

49.32 (10) (a) (intro.) Each county department under s. 46.215 or 46.22 may release the current address of a recipient of aid under s. 49.19, and each Wisconsin works agency may release the current address of a participant in Wisconsin works under ss. 49.141 to 49.161, to a law enforcement officer if the officer meets all of the following conditions:

2. b. That the location or apprehension of the felon under subd. 1. 2. a. is within the official duties of the officer.

c. That the officer is making the request in the proper exercise of his or her duties under subd. 2. b.

SECTION 157. 49.32 (10) (b) of the statutes is created to read:

49.32 (10) (b) If a law enforcement officer believes, on reasonable grounds, that a warrant has been issued and is outstanding for the arrest of a Wisconsin works participant, the law enforcement officer may request that a law enforcement officer be notified when the participant appears to obtain his or her benefits under the Wisconsin works program. At the request of a law enforcement officer under this paragraph, an employe of a Wisconsin works agency who disburses benefits may notify a law enforcement officer when the participant appears to obtain Wisconsin works benefits.

SECTION 158. 49.33 (1) (b) of the statutes, as affected by 1995 Wisconsin Act 27, section 2047, is amended to read:

49.33 (1) (b) "Income maintenance program" means aid to families with dependent children under s. 49.19, Wisconsin works under ss. ~~49.141 to 49.161~~, medical assistance under subch. IV of ch. 49 or the food stamp program under 7 USC 2011 to 2029.

SECTION 159. 49.33 (1) (c) of the statutes, as affected by 1995 Wisconsin Act 27, section 2048, is amended to read:

49.33 (1) (c) "Income maintenance worker" means a person employed by a county or, a governing body of a federally recognized American Indian tribe or a Wisconsin works agency whose duties include determinations or redeterminations of income maintenance program eligibility.

SECTION 160c. 49.33 (2) of the statutes, as affected by 1995 Wisconsin Act 27, section 2043, is amended to read:

49.33 (2) CONTRACTS. County departments under ss. 46.215, 46.22 and 46.23 shall annually enter into a contract with the department detailing the reasonable cost of administering the income maintenance programs under ~~ss. 49.19, 49.26 (1) and 49.45 to 49.47~~ and the food stamp program under 7 USC 2011 to 2029 when so appointed by the department. Contracts created under this section control the distribution of payments under s. 20.445 (3) (de) and (nL) in accordance with the reimbursement method established under s. 49.33 (8). The department may reduce its payment to any county under s. 20.445 (3) (de) and (nL) if federal reimbursement is withheld due to audits, quality control samples or program reviews.

SECTION 161c. 49.33 (8) (a) of the statutes, as affected by 1995 Wisconsin Act 27, section 3130, is amended to read:

49.33 (8) (a) The department shall reimburse each county for reasonable costs of income maintenance relat-

ing to the administration of the programs under this subchapter and subch. IV according to a formula based on workload within the limits of available state and federal funds under s. 20.445 (3) (de), (dz) and (nL) by contract under s. 49.33 (2). The amount of reimbursement calculated under this paragraph and par. (b) is in addition to any reimbursement provided to a county for fraud and error reduction under s. 49.197 (1m) and (4).

SECTION 163. 49.36 (title) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.36 (title) Work experience and job training program for noncustodial parents.

SECTION 164c. 49.36 (2) of the statutes, as affected by 1995 Wisconsin Act 27, section 2137, is amended to read:

49.36 (2) The department may contract with any county to administer a work experience and job training program for parents who are not custodial parents and who fail to pay child support or to meet their children's needs for support as a result of unemployment or underemployment. The program may provide the kinds of work experience and job training services available from the program under s. 49.193 ~~or 49.147 (3) or (4). The program may also include job search and job orientation activities.~~ The department shall fund the program from the appropriation under s. 20.445 (3) (df).

SECTION 165. 49.36 (3) (a) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.36 (3) (a) Except as provided in par. (f), a person ordered to register under s. 767.295 (2) (a) shall participate in a work experience and job training program if services are available.

SECTION 166. 49.36 (3) (g) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.36 (3) (g) If the person's child receives benefits under s. 49.19, the liability under s. 49.195 of a parent who is a member of the child's household is reduced by the amount of the federal minimum hourly wage under 29 USC 206 (a) (1) for each hour the person participates in a program under this section. ~~This paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).~~

SECTION 167. 49.36 (4) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.36 (4) When a person completes 16 weeks of participation in a program under this section, the county or Wisconsin works agency operating the program shall inform the clerk of courts, by affidavit, of that completion.

SECTION 168. 49.36 (5) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.36 (5) A person participating in work experience in a county as part of the program under this section is considered an employe of that the county or Wisconsin works agency administering the program under this section for purposes of worker's compensation benefits only.

SECTION 169. 49.36 (6) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.36 (6) A county or Wisconsin works agency administering the program under this section shall reimburse a person for reasonable transportation costs incurred because of participation in a program under this section up to a maximum of \$25 per month.

SECTION 170. 49.36 (7) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.36 (7) The department shall pay a county or Wisconsin works agency \$200 for each person who participates in the program under this section in that county the region in which the county or Wisconsin works agency administers the program under this section. The county or Wisconsin works agency shall pay any additional costs of the program.

SECTION 172c. 49.45 (6m) (br) 1. of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.45 (6m) (br) 1. Notwithstanding s. 20.410 (3) (cd), 20.435 (1) (bt) or (bu) or (7) (b) or 20.445 (3) (de), the department shall reduce allocations of funds to counties in the amount of the disallowance from the appropriations under s. 20.410 (3) (cd) or 20.435 (1) (bt) or (bu) or (7) (b), or the department shall direct the department of industry, labor and job development to reduce allocations of funds to counties or Wisconsin works agencies in the amount of the disallowance from the appropriation under s. 20.445 (3) (de) or (dz), in accordance with s. 16.544 to the extent applicable.

SECTION 173. 49.46 (1) (a) 1. of the statutes is amended to read:

49.46 (1) (a) 1. Any person included in the grant of aid to families with dependent children and any person who does not receive such aid solely because of the application of s. 49.19 (11) (a) 7. ~~This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).~~

SECTION 174. 49.46 (1) (a) 1m. of the statutes is amended to read:

49.46 (1) (a) 1m. Any pregnant woman who meets the resource and income limits under s. 49.19 (4) (bm) and (es) and whose pregnancy is medically verified. Eligibility continues to the last day of the month in which the 60th day after the last day of the pregnancy falls. ~~This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).~~

~~**SECTION 175.** 49.46 (1) (a) 4m. of the statutes is amended to read:~~

~~**49.46 (1) (a) 4m.** Any dependent child whose custodial parent, as defined under s. 49.141 (1) (b), receives a payment under s. 49.77 (3v).~~

SECTION 176. 49.46 (1) (a) 5. of the statutes is amended to read:

Vetoed
In Part

49.46 (1) (a) 5. Any child in an adoption assistance, foster care, ~~kinship care~~ or treatment foster care placement under ch. 48, as determined by the department.

SECTION 177. 49.46 (1) (a) 6. of the statutes is amended to read:

49.46 (1) (a) 6. Any person not described in pars. (c) to (e) who is considered, under federal law, to be receiving aid to families with dependent children ~~or supplemental security income~~ for the purpose of determining eligibility for medical assistance. This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 178. 49.46 (1) (a) 6m. of the statutes is created to read:

49.46 (1) (a) 6m. Any person not described in pars. (c) to (e) who is considered, under federal law, to be receiving supplemental security income for the purpose of determining eligibility for medical assistance.

SECTION 179. 49.46 (1) (a) 9. of the statutes is amended to read:

49.46 (1) (a) 9. Any pregnant woman not described under subd. 1. or 1m. whose family income does not exceed 133% of the poverty line for a family the size of the woman's family. This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 180. 49.46 (1) (a) 10. of the statutes is amended to read:

49.46 (1) (a) 10. Any child not described under subd. 1. who is under 6 years of age and whose family income does not exceed 133% of the poverty line for a family the size of the child's family. This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 181. 49.46 (1) (a) 11. of the statutes is amended to read:

49.46 (1) (a) 11. Any child not described under subd. 1. who was born after September 30, 1983, who has attained the age of 6 but has not attained the age of 19 and whose family income does not exceed 100% of the poverty line for a family the size of the child's family. This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 182. 49.46 (1) (a) 12. of the statutes is amended to read:

49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years of age and who meets the resource and income limits under s. 49.19 (4). This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 183. 49.46 (1) (a) 13. of the statutes is amended to read:

49.46 (1) (a) 13. Any child who is under one year of age, whose mother was determined to be eligible under subd. 9. and who lives with his or her mother. This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 184. 49.46 (1) (a) 16. of the statutes is created to read:

49.46 (1) (a) 16. Any child who is living with a relative who is eligible to receive payments under s. 48.57 (3m) with respect to that child, if the department determines that no other insurance is available to the child.

SECTION 185. 49.46 (1) (am) 3. of the statutes is created to read:

49.46 (1) (am) 3. This paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 186. 49.46 (1) (cb) of the statutes is created to read:

49.46 (1) (cb) Paragraph (c) does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 187. 49.46 (1) (cg) of the statutes is amended to read:

49.46 (1) (cg) Except as provided in par. (cs), medical assistance shall be provided to a dependent child, a relative with whom the child is living or the spouse of the relative, if the spouse meets the requirements of s. 49.19 (1) (c) 2. a. or b., for 4 calendar months beginning with the month in which the child, relative or spouse is ineligible for aid to families with dependent children because of the collection or increased collection of maintenance or support, if the child, relative or spouse received aid to families with dependent children in 3 or more of the 6 months immediately preceding the month in which that ineligibility begins. This paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 188. 49.46 (1) (co) 4. of the statutes is created to read:

49.46 (1) (co) 4. This paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 189. 49.46 (1) (cr) of the statutes is renumbered 49.46 (1) (cr) 1., and 49.46 (1) (cr) 1. b. and c., as renumbered, are amended to read:

49.46 (1) (cr) 1. b. Discloses in the application under subd. 1. a. any health insurance possessed by a member of the family.

c. Demonstrates that, but for the loss of the disregards for earned income under s. 49.19 (5) (a) 4., the family was continuously eligible for aid to families with dependent children from the date of that loss until the date of the application made under subd. 1. a.

SECTION 190. 49.46 (1) (cr) 2. of the statutes is created to read:

49.46 (1) (cr) 2. This paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 191. 49.46 (1) (cs) of the statutes is amended to read:

49.46 (1) (cs) Medical assistance shall be provided to members of a work-not-welfare group, as defined in s. 49.27 (1) (c), that is eligible for transitional medical assistance coverage under s. 49.27 (8) (c). If the person is or was a member of a work-not-welfare group, as defined in s. 49.27 (1) (c), and if the period of ineligibility under s. 49.27 (4) (f) and (g) for that work-not-welfare group has not yet expired, the person is not eligible for medical assistance under par. (c), (cg), (co) or (cr), unless the person was a dependent child, as defined in s. 49.19 (1) (a), at the time that he or she was a member of the work-not-welfare group. This paragraph does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 192. 49.46 (1) (d) 1. of the statutes is amended to read:

49.46 (1) (d) 1. Children who are placed in licensed foster homes or licensed treatment foster homes by the department and who would be eligible for payment of aid to families with dependent children in foster homes or treatment foster homes except that their placement is not made by a county department under s. 46.215, 46.22 or 46.23 will be considered as recipients of aid to families with dependent children. This subdivision does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 193. 49.46 (1) (e) of the statutes, as affected by 1995 Wisconsin Act 27, is renumbered 49.46 (1) (e) 1.

SECTION 194. 49.46 (1) (e) 2. of the statutes is created to read:

49.46 (1) (e) 2. Beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d), this paragraph does not apply with respect to a person who has income and resources within the limitations of s. 49.19 whether or not the person requests or receives a grant of aid under that section.

SECTION 195. 49.465 (7) of the statutes is created to read:

49.465 (7) This section does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 195m. 49.47 (1) of the statutes is amended to read:

49.47 (1) **PURPOSE.** Medical assistance as set forth herein shall be provided to persons over 65, all disabled children under 18 and, ~~if the child is "dependent" pursuant to s. 49.19, the relatives enumerated in s. 49.19 with~~

~~whom the child is living, or persons who are blind or disabled if eligible under this section.~~

SECTION 196. 49.47 (4) (a) (intro.) of the statutes is amended to read:

49.47 (4) (a) (intro.) Any Except as provided in par. (ag), any individual who meets the limitations on income and resources under pars. (b) and (c) and who complies with par. (cm) shall be eligible for medical assistance under this section if such individual is:

SECTION 197. 49.47 (4) (ag) of the statutes is created to read:

49.47 (4) (ag) No individual is eligible for medical assistance in a month that the individual is eligible for health care coverage under s. 49.153.

SECTION 198. 49.47 (4) (an) of the statutes is created to read:

49.47 (4) (an) Paragraph (am) does not apply beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

SECTION 198g. 49.47 (4) (c) 2. of the statutes is amended to read:

49.47 (4) (c) 2. Whenever an applicant has excess income under subd. 1. or par. (am), no certification may be issued until the excess income above the applicable limits has been obligated or expended for medical care or for any other type of remedial care recognized under state law or for personal health insurance premiums or both. No individual is eligible for medical assistance under this subdivision in a month in which the individual is eligible for health care coverage under s. 49.153.

SECTION 199. 49.50 (6e) (a) of the statutes is repealed.

SECTION 200. 49.50 (6e) (b) of the statutes, as affected by 1995 Wisconsin Act 27, section 3091, is renumbered 49.50 (6e).

SECTION 201. 49.50 (6g) of the statutes is amended to read:

49.50 (6g) **DAY CARE FUNDS FOR FORMER RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN.** The department shall pay the child care costs of an individual who secures unsubsidized employment and loses eligibility for aid to families with dependent children because of earned income or number of hours worked for up to 12 months following the loss of eligibility if the child care is provided by a child care provider. The department shall establish a formula for assistance based on ability to pay. The rates for child care services under this subsection shall be determined under s. 46.98 (4) (d), (dg) or (dm), whichever is applicable, or, if a higher rate is established under s. 46.98 (4) (e) and if the child care services meet the quality standards established under s. 46.98 (4) (e), the rates for child care services under this subsection that meet those standards shall be determined under s. 46.98 (4) (e). The department shall promulgate rules for the disbursement of funds under this subsection.

SECTION 202. 49.50 (6k) (a) of the statutes is amended to read:

49.50 (6k) (a) County departments under ss. 46.215, 46.22 and 46.23 shall administer the funds appropriated for the purpose of providing child care under subs. (6e) (b) and (6g) for recipients and former recipients of aid under s. 49.19 and under sub. (7) (e) for participants in the learnfare program. The department shall allocate funds to county departments under ss. 46.215, 46.22 and 46.23 for the purposes of this paragraph.

SECTION 203. 49.50 (6k) (b) of the statutes is amended to read:

49.50 (6k) (b) Beginning on January 1, 1994, a county department under s. 46.215, 46.22 or 46.23 may, with the approval of the department, provide payment for, or reimbursement of, child care under s. 49.193 (8) or 49.50 (6e) (a) using funds allocated under par. (a). The department shall approve or disapprove this use of funds under criteria established to maximize state and federal funding available for child care.

SECTION 204. 49.50 (7) (e) of the statutes is amended to read:

49.50 (7) (e) For an individual who is a recipient of aid under s. 49.19, who is the parent with whom a dependent child lives and who is either required to attend school under par. (g) or is under 20 years of age and wants to attend school, the department shall make a monthly payment to the individual or the child care provider for the month's child care costs in an amount based on need with the maximum amount per child equal to the lesser of the actual cost of the care or the rate established under s. 46.98 (4) (d), (dg) or (dm), whichever is applicable, or, if a higher rate is established under s. 46.98 (4) (e) and if the child care meets the quality standards established under s. 46.98 (4) (e), in an amount based on need with the maximum amount per child equal to the lesser of the actual cost of the care or the rate established under s. 46.98 (4) (e), if the individual demonstrates the need to purchase child care services in order to attend school and those services are available from a child care provider.

SECTION 207. 49.52 (1) (d) of the statutes, as affected by 1995 Wisconsin Act 27, section 3134m, is amended to read:

49.52 (1) (d) From the appropriations under s. 20.435 (7) (b) and (o), the department shall distribute the funding for social services, including funding for foster care or treatment foster care of a child receiving aid under s. 49.19, to county departments under ss. 46.215, 46.22 and 46.23 as provided under s. 46.40. County matching funds are required for the distributions under s. 46.40 (2), (4m) and (8). Each county's required match for a year equals 9.89% of the total of the county's distributions for that year for which matching funds are required plus the amount the county was required by s. 46.26 (2) (c), 1985 stats., to spend for juvenile delinquency-related services from its distribution for 1987. Matching funds may be

from county tax levies, federal and state revenue sharing funds or private donations to the county that meet the requirements specified in s. 51.423 (5). Private donations may not exceed 25% of the total county match. If the county match is less than the amount required to generate the full amount of state and federal funds distributed for this period, the decrease in the amount of state and federal funds equals the difference between the required and the actual amount of county matching funds.

SECTION 209. 49.77 (3v) of the statutes is created to read:

Vetoed
In Part

49.77 (3v) INCREASED SUPPLEMENTAL PAYMENTS TO CUSTODIAL PARENTS. (a) In this subsection:

1. "Custodial parent" has the meaning given in s. 49.141 (1) (b).

2. "Dependent child" has the meaning given in s. 49.141 (1) (c).

(b) A person who is entitled to receive supplemental payments under this section and who is a custodial parent shall receive an increased state supplement of \$77 for each dependent child with respect to whom the person is a custodial parent.

(c) Notwithstanding par. (b), if a person who is entitled to receive supplemental payments under this section is married to a person who is also entitled to receive supplemental payments under this section, and both persons are custodial parents of a dependent child, only one increased state supplemental payment of \$77 may be paid with respect to that child.

SECTION 210. 49.83 of the statutes, as affected by 1995 Wisconsin Act 27, sections 3142 and 3144, is amended to read:

49.83 Limitation on giving information. Except as provided under s. 49.32 (9) and (10), no person may use or disclose information concerning applicants and recipients of relief funded by a relief block grant, aid to families with dependent children, Wisconsin works under ss. 49.141 to 49.161, social services or supplemental payments under s. 49.77, for any purpose not connected with the administration of the programs. Any person violating this subsection may be fined not less than \$25 nor more than \$500 or imprisoned in the county jail not less than 10 days nor more than one year or both.

SECTION 211. 49.84 (5) of the statutes, as affected by 1995 Wisconsin Act 27, section 3211, is amended to read:

49.84 (5) A person applying for Wisconsin works under ss. 49.141 to 49.161, aid to families with dependent children under s. 49.19, medical assistance under subch. IV or food stamp program benefits under 7 USC 2011 to 2029 shall, as a condition of eligibility, provide a declaration and other verification of citizenship or satisfactory immigration status as required by the department by rule or as required in 42 USC 1320b-7 (d).

SECTION 212. 49.85 (1) of the statutes, as affected by 1995 Wisconsin Act 27, section 2146, is amended to read:

49.85 (1) COUNTY DEPARTMENT NOTIFICATION REQUIREMENT. If a county department under s. 46.215, 46.22 or 46.23 or, a governing body of a federally recognized American Indian tribe or band or a Wisconsin works agency determines that the department of health and social services may recover an amount under s. 49.497 or that the department of industry, labor and human relations may recover an amount under s. 49.125, 49.161 or 49.195 (3), the county department or governing body shall notify the affected department of the determination.

SECTION 213. 49.85 (2) (b) and (3) (b) 1. of the statutes, as created by 1995 Wisconsin Act 27, are amended to read:

49.85 (2) (b) At least annually, the department of industry, labor and human relations shall certify to the department of revenue the amounts that, based on the notifications received under sub. (1) and on other information received by the department of industry, labor and human relations, the department of industry, labor and human relations has determined that it may recover under ss. 49.125, 49.161 and 49.195 (3), except that the department of industry, labor and human relations may not certify an amount under this subsection unless it has met the notice requirements under sub. (3) and unless its determination has either not been appealed or is no longer under appeal.

(3) (b) 1. Inform the person that the department of industry, labor and human relations intends to certify to the department of revenue an amount that the department of industry, labor and human relations has determined to be due under s. 49.125, 49.161 or 49.195 (3), for setoff from any state tax refund that may be due the person.

SECTION 214. 49.95 (4m) (a) of the statutes, as affected by 1995 Wisconsin Act 27, section 3220, is amended to read:

49.95 (4m) (a) Without legal authority, sends or brings a person to a county, tribal governing body or municipality or advises a person to go to a county, tribal governing body or municipality for the purpose of obtaining relief funded by a relief block grant, benefits under the Wisconsin works program under ss. 49.141 to 49.161, aid to families with dependent children under s. 49.19, medical assistance under subch. IV or food stamps under 7 USC 2011 to 2029.

SECTION 215. 49.95 (11) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.95 (11) "Public assistance" as used in this section includes relief funded by a relief block grant and benefits under ss. 49.141 to 49.161.

SECTION 216. 49.96 of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

49.96 Assistance grants exempt from levy. All grants of aid to families with dependent children, payments made under ss. 48.57 (3m) or 49.148 (1) (b) to 49.159, payments made for social services, cash benefits

paid by counties under s. 59.07 (154), and benefits under s. 49.77 or federal Title XVI, are exempt from every tax, and from execution, garnishment, attachment and every other process and shall be inalienable.

SECTION 217. 59.07 (97) of the statutes is amended to read:

59.07 (97) CHILD AND SPOUSAL SUPPORT; PATERNITY PROGRAM; MEDICAL SUPPORT LIABILITY PROGRAM. The county board shall contract with the department of health and social services to implement and administer the child and spousal support and establishment of paternity and the medical support liability programs provided for by Title IV of the federal social security act. The board may designate by board resolution any office, officer, board, department or agency as the county designee. The board or its designee shall implement and administer the programs in accordance with the contract with the state department of health and social services. The attorneys responsible for support enforcement under s. 59.458 (1), family court commissioner, clerk of court and all other county officials shall cooperate with the county and the department as necessary to provide the services required under the programs. The county shall charge the fee established by the department under s. 46.25 for services provided under this subsection to persons not receiving benefits under s. 49.148, 49.153 or 49.155 or assistance under s. 46.261, 49.19 or 49.47.

SECTION 218. 60.23 (25) of the statutes is amended to read:

60.23 (25) SELF-INSURED HEALTH PLANS. Provide health care benefits to its officers and employes on a self-insured basis if the self-insured plan complies with ss. 631.89, 631.90, 631.93 (2), 632.745 (2), (3) and (5) (a) 2, and (b) 2, 632.747 (3), 632.87 (4) and (5), 632.895 (9) and 632.896.

SECTION 219. 66.184 of the statutes is amended to read:

66.184 Self-insured health plans. If a city, including a 1st class city, or a village provides health care benefits under its home rule power, or if a town provides health care benefits, to its officers and employes on a self-insured basis, the self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.745 (2), (3) and (5) (a) 2, and (b) 2, 632.747 (3), 632.87 (4) and (5), 632.895 (9) and (10), 632.896, 767.25 (4m) (d) and 767.51 (3m) (d).

~~SECTION 219m. 71.07 (9c) (em) of the statutes is amended to read: 71.07 (9c) (em) If an employee completes a form prescribed by the department of revenue on which the employee estimates the amount of credit that is due to the employee under this subsection for the taxable year and submits the form to his or her employer and if the estimated credit for the taxable year is at least \$120, that employer may pay, for each pay period, a prorated portion of the estimated credit.~~

Vetoed
In Part

Vetoed In Part 2. An employer who pays employees under subd. 1. may reduce the amount owed under subch. X for the reporting period by the total of the payments made during the reporting period. If the total amount due under subch. X for any reporting period is less than the total amount paid under subd. 1. for the reporting period, the employer may subtract the difference from any contributions due under ch. 108 in accordance with s. 108.16 (11).

3. On his or her return for the taxable year for which an employe receives payments under subd. 1., the employe may claim a credit under this subsection only for the amount that was otherwise due under this subsection and not paid under subd. 1. and shall subtract from the refund or credit due or add to the liability under this chapter any amount received under subd. 1. that is not otherwise due under this subsection.

SECTION 220. 71.54 (2) (a) (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

71.54 (2) (a) (intro.) Property taxes accrued or rent constituting property taxes accrued shall be reduced by one-twelfth for each month or portion of a month for which the claimant received relief from any county under s. 59.07 (154) equal to or in excess of \$400, participated in Wisconsin works under s. 49.147 (4) or (5) or received assistance under s. 49.19, except assistance received:

SECTION 221. 102.07 (17) of the statutes is created to read:

102.07 (17) A participant in a trial job under s. 49.147 (3) is an employe of any employer under this chapter for whom the participant is performing service at the time of the injury.

SECTION 222. 102.07 (18) of the statutes is created to read:

102.07 (18) A participant in a community service job under s. 49.147 (4) or a transitional placement under s. 49.147 (5) is an employe of the Wisconsin works agency, as defined under s. 49.001 (9), for the purposes of this chapter, except to the extent that the person for whom the participant is performing work provides worker's compensation coverage.

SECTION 223. 102.29 (8m) of the statutes is created to read:

102.29 (8m) No participant in a community service job under s. 49.147 (4) or a transitional placement under s. 49.147 (5) who, under s. 49.147 (4) (c) or (5) (c), is provided worker's compensation coverage by a Wisconsin works agency, as defined under s. 49.001 (9), and who makes a claim for compensation under this chapter may make a claim or maintain an action in tort against the employer who provided the community service job or transitional placement from which the claim arose.

SECTION 224. 106.21 (1) (g) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

106.21 (1) (g) "Public assistance" means relief provided by counties under s. 59.07 (154), Wisconsin works under ss. 49.141 to 49.161, aid to families with dependent

children under s. 49.19, medical assistance under subch. IV of ch. 49, low-income energy assistance under s. 16.385, weatherization assistance under s. 16.39 and the food stamp program under 7 USC 2011 to 2029.

SECTION 225. 106.215 (1) (fm) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

106.215 (1) (fm) "Public assistance" means relief provided by counties under s. 59.07 (154), Wisconsin works under ss. 49.141 to 49.161, aid to families with dependent children under s. 49.19, medical assistance under subch. IV of ch. 49, low-income energy assistance under s. 16.385, weatherization assistance under s. 16.39 and the food stamp program under 7 USC 2011 to 2029.

SECTION 225b. 108.16 (2) (b) of the statutes is amended to read:

108.16 (2) (b) ~~Each~~ Except as provided in sub. (6) and s. 108.19, each employer's account shall be credited with all its contributions paid into the fund and any amounts transferred by the department to the fund in lieu of such contributions under sub. (11), and shall be charged with all benefits duly paid from the fund to its employes based on their past employment by it, except as otherwise specified in this chapter.

~~SECTION 225c. 108.16 (6) (L) of the statutes is created to read:~~

~~108.16 (6) (L) Any moneys payable from the appropriation under s. 20.445 (1) (gg) in lieu of contributions under sub. (11)~~

~~SECTION 225f. 108.16 (11) of the statutes is created to read:~~

~~108.16 (11) If an employer that is subject to a contribution requirement is permitted under s. 71.07 (9e) (em) to pay, and elects to pay, an estimated earned income tax credit to its employes, the employer may, after first applying the employer's payments to the total amounts owed by that employer under subch. X of ch. 71 for any quarter, reduce its contributions otherwise payable to the department under ss. 108.17 to 108.19 by the remaining total amount of credits paid by the employer to its employes for the same quarter, to the extent of the employer's contribution liability for that quarter. The department shall promptly transfer an amount equal to any reduction lawfully claimed by an employer under this subsection from the appropriation under s. 20.445 (1) (gg) to the unemployment trust fund of the United States under sub. (5) (a), except that if the reduced contributions would otherwise be credited to the balancing account or administrative account, the department shall promptly transfer an amount equal to such reduced contributions from the appropriation under s. 20.445 (1) (gg) to the appropriate account.~~

~~SECTION 225h. 108.18 (1) (a) of the statutes is amended to read:~~

~~108.18 (1) (a) Each~~ Except as authorized in s. 108.16 (11), each employer shall pay contributions to the fund for each calendar year at whatever rate on the employer's

Vetoed In Part

Vetoed payroll for that year duly applies to the employer pursuant to this section.

SECTION 225j. 108.19 (1) and (1m) of the statutes are amended to read:

108.19 (1) ~~Each~~ ~~Except as authorized in s. 108.16 (11),~~ each employer subject to this chapter shall regularly contribute to the administrative account at the rate of two-tenths of one per cent per year on its payroll, except that the department may prescribe at the close of any fiscal year such lower rates of contribution under this section, to apply to classes of employers throughout the ensuing fiscal year, as will in the department's judgment adequately finance the administration of this chapter, and as will in the department's judgment fairly represent the relative cost of the services rendered by the department to each such class.

(1m) ~~Each~~ ~~Except as authorized in s. 108.16 (11),~~ each employer subject to this chapter as of the date a rate is established under this subsection shall pay an assessment to the administrative account at a rate established by the department sufficient to pay interest due on advances from the federal unemployment account under title XII of the social security act (42 USC 1321 to 1324). The rate established by the department for employers who finance benefits under s. 108.15 (2) or 108.151 (2) shall be 75% of the rate established for other employers. The amount of any employer's assessment shall be the product of the rate established for that employer multiplied by the employer's payroll of the previous calendar year as taken from quarterly contribution reports filed by the employer or, in the absence of the filing of such reports, estimates made by the department. Each assessment made under this subsection is due on the 30th day commencing after the date on which notice of the assessment is mailed by the department. If the amounts collected under this subsection are in excess of the amounts needed to pay interest due, the amounts shall be retained in the administrative account and utilized for the purposes specified in s. 108.20 (2m).

SECTION 225L. 108.20 (2m) of the statutes is amended to read:

108.20 (2m) From the moneys not appropriated under s. 20.445 (1) (ge) and (gf) which are received by the administrative account as interest and penalties under this chapter, the department shall pay the benefits chargeable to the administrative account under s. 108.07 (5) and the interest payable to employers under s. 108.17 (3m) and the cost of administration of s. 108.16 (11) and may pay interest due on advances to the unemployment reserve fund from the federal unemployment account under title XII of the social security act, 42 USC 1321 to 1324, may make payments to satisfy a federal audit exception concerning a payment from the fund or any federal aid disallowance involving the unemployment compensation program, or may make payments to the fund if such action is necessary to obtain a lower interest rate or

deferral of interest payments on advances from the federal unemployment account under title XII of the social security act, except that any interest earned pending disbursement of federal employment security grants under s. 20.445 (1) (n) shall be credited to the general fund. Any moneys reverting to the administrative account from the appropriations under s. 20.445 (1) (ge) and (gf) shall be utilized as provided in this subsection.

SECTION 225n. 108.22 (1) (g) of the statutes is created to read:

108.22 (1) (g) If an employer lawfully reduces its contributions otherwise payable to the department under s. 108.16 (11), the amount of any reduction is considered to be timely paid by that employer if a report claiming that reduction is filed by the employer in a timely manner.

SECTION 226. 111.70 (1) (a) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

111.70 (1) (a) "Collective bargaining" means the performance of the mutual obligation of a municipal employer, through its officers and agents, and the representative of its municipal employees in a collective bargaining unit, to meet and confer at reasonable times, in good faith, with the intention of reaching an agreement, or to resolve questions arising under such an agreement, with respect to wages, hours and conditions of employment, and with respect to a requirement of the municipal employer for a municipal employee to perform law enforcement and fire fighting services under s. 61.66, except as provided in sub. (4) (m) and (n) and s. 40.81 (3) and except that a municipal employer shall not meet and confer with respect to any proposal to diminish or abridge the rights guaranteed to municipal employees under ch. 164. The duty to bargain, however, does not compel either party to agree to a proposal or require the making of a concession. Collective bargaining includes the reduction of any agreement reached to a written and signed document. The municipal employer shall not be required to bargain on subjects reserved to management and direction of the governmental unit except insofar as the manner of exercise of such functions affects the wages, hours and conditions of employment of the municipal employees in a collective bargaining unit. In creating this subchapter the legislature recognizes that the municipal employer must exercise its powers and responsibilities to act for the government and good order of the jurisdiction which it serves, its commercial benefit and the health, safety and welfare of the public to assure orderly operations and functions within its jurisdiction, subject to those rights secured to municipal employees by the constitutions of this state and of the United States and by this subchapter.

SECTION 227. 111.70 (4) (n) of the statutes is created to read:

111.70 (4) (n) *Health benefit plan requirements.* 1. Except as provided in subd. 2., the municipal employer is prohibited from bargaining collectively with respect to

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compliance with the health benefit plan requirements under ss. 632.745, 632.747 and 632.749.

2. If a municipal employer offers its employees a health care coverage plan through a program offered by the group insurance board under s. 40.51 (7), the municipal employer is prohibited from bargaining collectively with respect to compliance with the health benefit plan requirements under ss. 632.745 (1) to (3) and (5) and 632.747 with respect to the health care coverage plan.

SECTION 228. 111.91 (2) (k) of the statutes is created to read:

111.91 (2) (k) Compliance with the health benefit plan requirements under ss. 632.745 (1) to (3) and (5) and 632.747.

SECTION 229. 115.347 of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

115.347 (2) Whenever a school district that is located in whole or in part in a county that has converted to the client assistance for reemployment and economic support data system submits a report under sub. (1) in the prescribed format, the department of industry, labor and human relations shall determine which children enrolled in the school district are members of Wisconsin works groups participating under s. 49.147 (3) to (5) or of families receiving aid to families with dependent children or food stamps, or both, and shall provide the information to the school board as soon thereafter as possible. The school board shall use the information to directly certify children as eligible for free or reduced-price meals served by the school district under federal school nutrition programs, pursuant to 42 USC 1758 (b) (2) (C) (ii) and (iii).

SECTION 230. 115.40 (4) (b) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

115.40 (4) (b) The secretary and the secretary of health and social services shall review the applications and jointly determine the grant recipients and the amount of each grant. A grant may not be awarded to a school board, agency or organization unless the percentage of the participating school district's membership in the previous school year for whom aid to families with dependent children was being received under s. 49.19, or who were members of a Wisconsin works group, as defined in s. 49.141 (1) (s), with a member who participated under s. 49.147 (3) to (5), was greater than 5%. In this paragraph, "membership" has the meaning given in s. 121.004 (5).

SECTION 231. 115.40 (4) (c) 1. of the statutes is amended to read:

115.40 (4) (c) 1. Programs that involve a school district that, in the previous school year, had a high proportion of pupils for whom aid to families with dependent children was being received under s. 49.19, a high proportion of pupils who were members of a Wisconsin works group, as defined in s. 49.141 (1) (s), with a member who participated under s. 49.147 (3) to (5), a high pro-

portion of pupils who were children at risk, as defined under s. 118.153 (1) (a), or a high proportion of dropouts, as defined under s. 118.153 (1) (b).

SECTION 232. 115.45 (3m) (a) 2. of the statutes is amended to read:

115.45 (3m) (a) 2. "Low-income pupil" means a pupil for whom aid to families with dependent children is being received under s. 49.19 or a pupil who is a member of a Wisconsin works group, as defined in s. 49.141 (1) (s), with a member who is participating in Wisconsin works under s. 49.147 (3) to (5).

SECTION 233. 119.82 (1) (a) 2. of the statutes is amended to read:

119.82 (1) (a) 2. Is receiving aid to families with dependent children under s. 49.19 or is a member of a Wisconsin works group, as defined in s. 49.141 (1) (s), with a member who is participating in Wisconsin works under s. 49.147 (3) to (5).

SECTION 234. 120.13 (2) (g) of the statutes is amended to read:

120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.745 (2), (3) and (5) (a) 2, and (b) 2, 632.747 (3), 632.87 (4) and (5), 632.895 (9) and (10), 632.896, 767.25 (4m) (d) and 767.51 (3m) (d).

SECTION 234m. 120.13 (14) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

120.13 (14) DAY CARE PROGRAMS. Establish and provide or contract for the provision of day care programs for children. The school board may receive federal or state funds for this purpose. The school board may charge a fee for all or part of the cost of the service for participation in a day care program established under this subsection. Costs associated with a day care program under this subsection may not be included in shared costs under s. 121.07 (6). Day care programs established under this subsection shall meet the standards for licensed day care centers established by the department of health and family services. If a school board proposes to contract for or renew a contract for the provision of a day care program under this subsection or if on the effective date of this subsection, [revisor inserts date], a school board is a party to a contract for the provision of a day care program under this subsection, the school board shall refer the contractor or proposed contractor to the department of health and family services for the background investigations required under s. 48.65 (1m).

SECTION 235. 120.13 (27m) of the statutes is amended to read:

120.13 (27m) TRANSPORTATION OF INDIGENT PUPILS. Provide transportation to and from school for indigent pupils who reside in the school district and who are not required to be transported under s. 121.54. In this subsection, "indigent pupils" means pupils eligible for free lunches or reduced-price lunches under 42 USC 1758 or aid to 18-year-old students under s. 49.20 or for whom

aid to families with dependent children is being received under s. 49.19 or who are members of a Wisconsin works group, as defined in s. 49.141 (1) (s), with a member who is participating in Wisconsin works under s. 49.147 (3) to (5) or any combination thereof, as determined by the school board. If a school board determines to provide transportation under this subsection, there shall be reasonable uniformity in the transportation furnished such pupils whether they attend public or private schools. The cost of transporting pupils under this subsection may not be included in the school district's shared cost under s. 121.07 (6) (a).

SECTION 236. 185.981 (4t) of the statutes is amended to read:

185.981 (4t) A sickness care plan operated by a cooperative association is subject to ss. 252.14, 631.89, 632.72 (2), 632.745, 632.747, 632.749, 632.87 (2m), (3), (4) and (5), 632.895 (10) and 632.897 (10) and ch. 155.

SECTION 237. 185.983 (1) (intro.) of the statutes is amended to read:

185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41, 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.89, 631.93, 632.72 (2), 632.745, 632.747, 632.749, 632.775, 632.79, 632.795, 632.87 (2m), (3), (4) and (5), 632.895 (5), (9) and (10), 632.896 and 632.897 (10), subch. II of ch. 619 and chs. 609, 630, 635, 645 and 646, but the sponsoring association shall:

SECTION 239. 227.01 (13) (zs) of the statutes is created to read:

227.01 (13) (zs) Establishes geographical areas under s. 49.143 for the administration of Wisconsin works under ss. 49.141 to 49.161.

SECTION 241. 230.04 (13) (a) and (c) 1. and 2. of the statutes are amended to read:

230.04 (13) (a) Establish standards for plans to increase state employment of recipients of aid under s. 49.19 or benefits under s. 49.147 (3) to (5) prepared by agencies under s. 230.147 (1). The standards shall state the time periods within which these plans shall be prepared.

(c) 1. A description of each agency's effort during that fiscal year to employ under s. 230.147 persons who received aid under s. 49.19 or benefits under s. 49.147 (3) to (5).

2. The number of persons receiving aid under s. 49.19 or benefits under s. 49.147 (3) to (5) who were employed by each agency under s. 230.147 during that fiscal year and the job title or classification of each position filled under s. 230.147.

SECTION 242. 230.147 (1) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

230.147 (1) Each appointing authority of an agency with more than 100 authorized permanent full-time equivalent positions shall prepare and implement a plan

of action to employ persons who, at the time determined under sub. (4), receive aid under s. 49.19 or benefits under s. 49.147 (3) to (5), with the goal of making the ratio of those persons occupying permanent positions in the agency to the total number of persons occupying permanent positions in the agency equal to the ratio of the average case load receiving aid under s. 49.19 or benefits under s. 49.147 (3) to (5), in this state in the previous fiscal year to the average number of persons in the state civilian labor force in the preceding fiscal year, as determined by the department of industry, labor and human relations.

SECTION 243. 230.147 (2) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

230.147 (2) Each appointing authority of an agency with 100 or fewer authorized permanent full-time equivalent positions is encouraged to employ persons who, at the time determined under sub. (4), receive aid under s. 49.19 or benefits under s. 49.147 (3) to (5), to attempt to make the ratio of those persons occupying permanent positions in the agency to the total number of persons occupying permanent positions in the agency equal to the ratio of the average case load receiving aid under s. 49.19 or benefits under s. 49.147 (3) to (5) in this state in the previous fiscal year to the average number of persons in the state civilian labor force in the preceding fiscal year, as determined by the department of industry, labor and human relations.

SECTION 244. 230.147 (3) of the statutes is amended to read:

230.147 (3) Notwithstanding subs. (1) and (2), the state fair park board shall make every reasonable effort to employ in permanent full-time equivalent positions persons who, at the time determined under sub. (4), receive aid under s. 49.19 or benefits under s. 49.147 (3) to (5). The state fair park board shall consult with the department of employment relations to assure that its efforts under this subsection comply with ch. 230.

SECTION 245. 560.14 (1) (a) (intro.) and 1. of the statutes are consolidated, renumbered 560.14 (1) (a) and amended to read:

560.14 (1) (a) "Applicable median household income" means the greater of the following: 1. The median family income for the county where the household is located, as determined annually by the U.S. department of housing and urban development.

SECTION 246. 560.14 (1) (a) 2. of the statutes is repealed.

SECTION 247. 600.01 (2) (b) of the statutes is amended to read:

600.01 (2) (b) Group or blanket insurance described in sub. (1) (b) 3. and 4. is not exempt from s. 632.745, 632.747 or 632.749 or ch. 633 or 635.

SECTION 248. 628.34 (3) (a) of the statutes is amended to read:

628.34 (3) (a) No insurer may unfairly discriminate among policyholders by charging different premiums or

by offering different terms of coverage except on the basis of classifications related to the nature and the degree of the risk covered or the expenses involved, subject to ss. 632.365 and 632.745. Rates are not unfairly discriminatory if they are averaged broadly among persons insured under a group, blanket or franchise policy, and terms are not unfairly discriminatory merely because they are more favorable than in a similar individual policy.

SECTION 249. 628.34 (3) (b) of the statutes is amended to read:

628.34 (3) (b) No insurer may refuse to insure or refuse to continue to insure, or limit the amount, extent or kind of coverage available to an individual, or charge an individual a different rate for the same coverage because of a mental or physical disability except when the refusal, limitation or rate differential is based on either sound actuarial principles supported by reliable data or actual or reasonably anticipated experience, subject to ss. 632.745, 632.747, 632.749, 635.09 and 635.26.

SECTION 250. 632.745 of the statutes is created to read:

632.745 Coverage requirements for group health benefit plans. (1) **GROUP HEALTH INSURANCE MARKET REFORM; DEFINITIONS.** In this section and ss. 632.747 and 632.749:

(a) 1. Except as provided in subd. 2., "eligible employe" means an employe who works on a permanent basis and has a normal work week of 30 or more hours. The term includes a sole proprietor, a business owner, including the owner of a farm business, a partner of a partnership and a member of a limited liability company if the sole proprietor, business owner, partner or member is included as an employe under a health benefit plan of an employer, but the term does not include an employe who works on a temporary or substitute basis.

2. For purposes of a group health benefit plan, or a self-insured health plan, that is offered by the state under s. 40.51 (6) or by the group insurance board under s. 40.51 (7), "eligible employe" has the meaning given in s. 40.02 (25).

(b) "Employer" means any of the following:

1. An individual, firm, corporation, partnership, limited liability company or association that is actively engaged in a business enterprise in this state, including a farm business.

2. A municipality, as defined in s. 16.70 (8).

3. The state.

(c) "Group health benefit plan" means a health benefit plan that is issued by an insurer to an employer on behalf of a group consisting of eligible employes of the employer. The term includes individual health benefit plans covering eligible employes when 3 or more are sold to an employer.

(d) "Health benefit plan" means any hospital or medical policy or certificate. "Health benefit plan" does not

include accident-only, credit accident or health, dental, vision, medicare supplement, medicare replacement, long-term care, disability income or short-term insurance, coverage issued as a supplement to liability insurance, worker's compensation or similar insurance, automobile medical payment insurance, individual conversion policies, specified disease policies, hospital indemnity policies, as defined in s. 632.895 (1) (c), policies or certificates issued under the health insurance risk-sharing plan or an alternative plan under subch. II of ch. 619 or other insurance exempted by rule of the commissioner.

(e) "Insurer" means an insurer that is authorized to do business in this state, in one or more lines of insurance that includes health insurance, and that offers group health benefit plans covering eligible employes of one or more employers in this state. The term includes a health maintenance organization, as defined in s. 609.01 (2), a preferred provider plan, as defined in s. 609.01 (4), an insurer operating as a cooperative association organized under ss. 185.981 to 185.985 and a limited service health organization, as defined in s. 609.01 (3).

(f) 1. "Qualifying coverage" means benefits or coverage provided under any of the following:

a. Medicare, medicaid or the Wisconsin works healthplan.

b. A group health benefit plan or an employer-based health benefit arrangement that provides benefits similar to or exceeding benefits provided under a basic health benefit plan under subch. II of ch. 635.

c. An individual health benefit plan that provides benefits similar to or exceeding benefits provided under a basic health benefit plan under subch. II of ch. 635, if the individual health benefit plan has been in effect for at least one year.

~~Notwithstanding subd. 1. b. and c., "qualifying coverage" does not include a high cost share health benefit plan that is linked to a tax-preferred savings plan for payment of medical expenses if the employer that provides the individual's new coverage offers its eligible employe a choice of health benefit plan options that includes a high cost share health benefit plan that may be linked to a tax-preferred savings plan for payment of medical expenses and the individual's new coverage is not such a high cost share health benefit plan.~~

(g) "Self-insured health plan" means a self-insured health plan of the state or a county, city, village, town or school district.

(2) **PREEXISTING CONDITIONS.** (a) A group health benefit plan, or a self-insured health plan, may not deny, exclude or limit benefits for a covered individual for losses incurred more than 12 months after the effective date of the individual's coverage due to a preexisting condition.

(b) Except as provided in par. (c), a group health benefit plan, or a self-insured health plan, may not define

Vetoed
In Part

a preexisting condition more restrictively than any of the following:

1. A condition that would have caused an ordinarily prudent person to seek medical advice, diagnosis, care or treatment during the 6 months immediately preceding the effective date of coverage and for which the individual did not seek medical advice, diagnosis, care or treatment.

2. A condition for which medical advice, diagnosis, care or treatment was recommended or received during the 6 months immediately preceding the effective date of coverage.

(c) Notwithstanding par. (b) 1. and 2., a group health benefit plan, or a self-insured health plan, shall exclude pregnancy from the definition of a preexisting condition for the purpose of coverage of expenses related to prenatal and postnatal care, delivery and any complications of pregnancy.

(3) PORTABILITY. (a) A group health benefit plan, or a self-insured health plan, shall waive any period applicable to a preexisting condition exclusion or limitation period with respect to particular services for the period that an individual was previously covered by qualifying coverage that was not sponsored by the employer sponsoring the group health benefit plan or the self-insured health plan and that provided benefits with respect to such services, if the qualifying coverage terminated not more than 60 days before the effective date of the new coverage.

(b) Paragraph (a) does not prohibit the application of a waiting period to all new enrollees under a group health benefit plan or a self-insured health plan; however, a waiting period may not be applied when determining whether the qualifying coverage terminated not more than 60 days before the effective date of the new coverage.

Vetoed In Part ~~(c) If the federal government enacts legislation providing for a federal income tax exemption for amounts deposited in a savings plan for payment of medical expenses that is linked to a high cost share health benefit plan, and for any interest, dividends or other gain that accrues in the savings plan, if redeposited in the savings plan, 6 years after the enactment of the federal legislation the commissioner shall conduct a study of individuals and groups that had coverage under a high cost share health benefit plan linked to a tax-preferred savings plan for payment of medical expenses and that terminated their coverage in order to enroll in a health benefit plan that was not such a high cost share health plan. If as a result of the study the commissioner determines that s. 632.745 (1) (f) 2. is not necessary for the purpose for which it was intended, the commissioner shall certify that determination to the revisor of statutes. Upon the certification, the revisor of statutes shall publish notice in the Wisconsin administrative register of the determination, the date of the certification and that after 30 days after the date of the certification s. 632.745 (1) (f) 2. is not effective.~~

(4) MINIMUM PARTICIPATION OF EMPLOYEES. (a) Except as provided in par. (d), requirements used by an insurer in determining whether to provide coverage under a group health benefit plan to an employer, including requirements for minimum participation of eligible employees and minimum employer contributions, shall be applied uniformly among all employers that apply for or receive coverage from the insurer.

(b) An insurer may vary its minimum participation requirements and minimum employer contribution requirements only by the size of the employer group based on the number of eligible employees.

(c) In applying minimum participation requirements with respect to an employer, an insurer may not count eligible employees who have other coverage that is qualifying coverage in determining whether the applicable percentage of participation is met, except that an insurer may count eligible employees who have coverage under another health benefit plan that is sponsored by that employer and that is qualifying coverage.

(d) An insurer may not increase a requirement for minimum employee participation or a requirement for minimum employer contribution that applies to an employer after the employer has been accepted for coverage.

(e) This subsection does not apply to a group health benefit plan offered by the state under s. 40.51 (6) or by the group insurance board under s. 40.51 (7).

(5) PROHIBITED COVERAGE PRACTICES. (a) 1. Except as provided in rules promulgated under subd. 3., if an insurer offers a group health benefit plan to an employer, the insurer shall offer coverage to all of the eligible employees of the employer and their dependents. Except as provided in rules promulgated under subd. 3., an insurer may not offer coverage to only certain individuals in an employer group or to only part of the group, except for an eligible employee who has not yet satisfied an applicable waiting period, if any.

2. Except as provided in rules promulgated under subd. 3., if the state or a county, city, village, town or school district offers coverage under a self-insured health plan, it shall offer coverage to all of its eligible employees and their dependents. Except as provided in rules promulgated under subd. 3., the state or a county, city, village, town or school district may not offer coverage to only certain individuals in the employer group or to only part of the group, except for an eligible employee who has not yet satisfied an applicable waiting period, if any.

3. The secretary of employee trust funds, with the approval of the group insurance board, shall promulgate rules related to offering coverage to eligible employees under a group health benefit plan, or a self-insured health plan, offered by the state under s. 40.51 (6) or by the group insurance board under s. 40.51 (7). The rules shall conform to the intent of subs. 1. and 2. and may not allow the state or the group insurance board to refuse to of-

fer coverage to an eligible employe or dependent for reasons related to health condition.

(b) 1. An insurer may not modify a group health benefit plan with respect to an employer or an eligible employe or dependent, through riders, endorsements or otherwise, to restrict or exclude coverage for certain diseases or medical conditions otherwise covered by the group health benefit plan.

2. The state or a county, city, village, town or school district may not modify a self-insured health plan with respect to an eligible employe or dependent, through riders, endorsements or otherwise, to restrict or exclude coverage for certain diseases or medical conditions otherwise covered by the self-insured health plan.

3. Nothing in this paragraph limits the authority of the group insurance board to fulfill its obligations as trustee under s. 40.03 (6) (d) or to design or modify procedures or provisions pertaining to enrollment, premium transmitted or coverage of eligible employes for health care benefits under s. 40.51 (1).

Vetoed SECTION 250m. 632.745 (1) (f) 2. of the statutes, as In Part created by 1995 Wisconsin Act ... (this act), is repealed.

SECTION 251. 632.747 of the statutes is created to read:

632.747 Guaranteed acceptance. (1) EMPLOYEE BECOMES ELIGIBLE AFTER COMMENCEMENT OF COVERAGE. If an insurer provides coverage under a group health benefit plan, the insurer shall provide coverage under the group health benefit plan to an eligible employe who becomes eligible for coverage after the commencement of the employer's coverage, and to the eligible employe's dependents, regardless of health condition or claims experience, if all of the following apply:

(a) The employe has satisfied any applicable waiting period.

(b) The employer agrees to pay the premium required for coverage of the employe under the group health benefit plan.

(2) EMPLOYEE WAIVED COVERAGE PREVIOUSLY. If an insurer provides coverage under a group health benefit plan, the insurer shall provide coverage under the group health benefit plan to an eligible employe who waived coverage during an enrollment period during which the employe was entitled to enroll in the group health benefit plan, regardless of health condition or claims experience, if all of the following apply:

(a) The eligible employe was covered as a dependent under qualifying coverage when he or she waived coverage under the group health benefit plan.

(b) The eligible employe's coverage under the qualifying coverage has terminated or will terminate due to a divorce from the insured under the qualifying coverage, the death of the insured under the qualifying coverage, loss of employment by the insured under the qualifying coverage or involuntary loss of coverage under the quali-

fyng coverage by the insured under the qualifying coverage.

(c) The eligible employe applies for coverage under the group health benefit plan not more than 30 days after termination of his or her coverage under the qualifying coverage.

(d) The employer agrees to pay the premium required for coverage of the employe under the group health benefit plan.

(3) STATE OR MUNICIPAL SELF-INSURED PLANS. If the state or a county, city, village, town or school district provides coverage under a self-insured health plan, it shall provide coverage under the self-insured health plan to an eligible employe who waived coverage during an enrollment period during which the employe was entitled to enroll in the self-insured health plan, regardless of health condition or claims experience, if all of the following apply:

(a) The eligible employe was covered as a dependent under qualifying coverage when he or she waived coverage under the self-insured health plan.

(b) The eligible employe's coverage under the qualifying coverage has terminated or will terminate due to a divorce from the insured under the qualifying coverage, the death of the insured under the qualifying coverage, loss of employment by the insured under the qualifying coverage or involuntary loss of coverage under the qualifying coverage by the insured under the qualifying coverage.

(c) The eligible employe applies for coverage under the self-insured health plan not more than 30 days after termination of his or her coverage under the qualifying coverage.

SECTION 252. 632.749 of the statutes is created to read:

632.749 Contract termination and renewability.

(1) MIDTERM CANCELLATION. Notwithstanding s. 631.36 (2) to (4m), a group health benefit plan may not be canceled by an insurer before the expiration of the agreed term, and shall be renewable to the policyholder and all insureds and dependents eligible under the terms of the group health benefit plan at the expiration of the agreed term at the option of the policyholder, except for any of the following reasons:

(a) Failure to pay a premium when due.

(b) Fraud or misrepresentation by the policyholder, or, with respect to coverage for an insured individual, fraud or misrepresentation by that insured individual.

(c) Substantial breaches of contractual duties, conditions or warranties.

(d) The number of individuals covered under the group health benefit plan is less than the number required by the group health benefit plan.

(e) The employer to which the group health benefit plan is issued is no longer actively engaged in a business enterprise.

(2) **NONRENEWAL.** Notwithstanding sub. (1), an insurer may elect not to renew a group health benefit plan if the insurer complies with all of the following:

(a) The insurer ceases to renew all other group health benefit plans issued by the insurer.

(b) The insurer provides notice to all affected policyholders and to the commissioner in each state in which an affected insured individual resides at least one year before termination of coverage.

(c) The insurer does not issue a group health benefit plan before 5 years after the nonrenewal of the group health benefit plans.

(d) The insurer does not transfer or otherwise provide coverage to a policyholder from the nonrenewed business unless the insurer offers to transfer or provide coverage to all affected policyholders from the nonrenewed business without regard to claims experience, health condition or duration of coverage.

(3) **INSURER IN LIQUIDATION.** This section does not apply to a group health benefit plan if the insurer that issued the group health benefit plan is in liquidation.

(4) **APPLICABILITY TO CERTAIN GOVERNMENT PLANS.** This section does not apply to a group health benefit plan offered by the state under s. 40.51 (6) or by the group insurance board under s. 40.51 (7).

SECTION 253. 632.76 (2) (a) of the statutes is amended to read:

632.76 (2) (a) No claim for loss incurred or disability commencing after 2 years from the date of issue of the policy may be reduced or denied on the ground that a disease or physical condition existed prior to the effective date of coverage, unless the condition was excluded from coverage by name or specific description by a provision effective on the date of loss. This paragraph does not apply to a group health benefit plan, as defined in s. 632.745 (1) (c), which is subject to s. 632.745 (2).

SECTION 254. 632.896 (4) of the statutes is amended to read:

632.896 (4) **PREEXISTING CONDITIONS.** Notwithstanding s. 632.745 (2) and 632.76 (2) (a), a disability insurance policy that is subject to sub. (2) and that is in effect when a court makes a final order granting adoption or when the child is placed for adoption may not exclude or limit coverage of a disease or physical condition of the child on the ground that the disease or physical condition existed before coverage is required to begin under sub. (3).

SECTION 255. 635.02 (5m) of the statutes is repealed.

SECTION 256. 635.07 of the statutes is repealed.

SECTION 257. 635.17 of the statutes is repealed.

SECTION 258. 635.26 (1) (a) of the statutes is renumbered 635.26 (1).

SECTION 259. 635.26 (1) (b) of the statutes is repealed.

SECTION 260. 767.045 (1) (c) 1. of the statutes is amended to read:

767.045 (1) (c) 1. Aid is provided under s. 46.261, 48.57 (3m), 49.19 or 49.45 on behalf of the child, or benefits are provided to the child's custodial parent under ss. 49.141 to 49.161, but the state and its delegate under s. 46.25 (7) are barred by a statute of limitations from commencing an action under s. 767.45 on behalf of the child.

SECTION 261. 767.075 (1) (c) of the statutes is amended to read:

767.075 (1) (c) Whenever aid under s. 46.261, 48.57 (3m), 49.19 or 49.45 is provided to on behalf of a dependent child or benefits are provided to the child's custodial parent under ss. 49.141 to 49.161.

SECTION 262m. 767.075 (1) (cm) of the statutes is created to read:

767.075 (1) (cm) Whenever aid under s. 46.261, 48.57 (3m), 49.19 or 49.45 has, in the past, been provided on behalf of a dependent child, or benefits have, in the past, been provided to the child's custodial parent under ss. 49.141 to 49.161, and the child's family is eligible for continuing child support services under 45 CFR 302.33.

SECTION 263. 767.077 (intro.) of the statutes is amended to read:

767.077 Support for dependent child. (intro.) The state or its delegate under s. 46.25 (7) shall bring an action for support of a minor child under s. 767.02 (1) (f) or, if appropriate, for paternity determination and child support under s. 767.45 whenever the child's right to support is assigned to the state under s. 46.261, 48.57 (3m) (b) 2, or 49.19 (4) (h) 1. b. if all of the following apply:

SECTION 264. 767.078 (1) (a) 2. of the statutes is amended to read:

767.078 (1) (a) 2. The child's right to support is assigned to the state under s. 48.57 (3m) (b) 2, or 49.19 (4) (h) 1. b.

SECTION 265. 767.15 (1) of the statutes is amended to read:

767.15 (1) In any action affecting the family in which either party is a recipient of benefits under ss. 49.141 to 49.161 or aid under s. 46.261, 49.19 or 49.45, each party shall, either within 20 days after making service on the opposite party of any motion or pleading requesting the court or family court commissioner to order, or to modify a previous order, relating to child support, maintenance or family support, or before filing the motion or pleading in court, serve a copy of the motion or pleading upon the child support program designee under s. 59.07 (97) of the county in which the action is begun.

SECTION 266. 767.24 (6) (c) of the statutes is amended to read:

767.24 (6) (c) In making an order of joint legal custody and periods of physical placement, the court may

specify one parent as the primary caretaker of the child and one home as the primary home of the child, for the purpose of determining eligibility for aid under s. 49.19 or benefits under ss. 49.141 to 49.161 or for any other purpose the court considers appropriate.

SECTION 267. 767.29 (1m) (c) of the statutes is amended to read:

767.29 (1m) (c) The party entitled to the support or maintenance money has applied for or is receiving aid to families with dependent children and there is an assignment to the state under s. 48.57 (3m) (b) 2. or 49.19 (4) (h) 1. b. of the party's right to the support or maintenance money.

SECTION 268. 767.29 (2) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

767.29 (2) If any party entitled to maintenance payments or support money, or both, is receiving public assistance under ch. 49, the party may assign the party's right thereto to the county department under s. 46.215, 46.22 or 46.23 granting such assistance. Such assignment shall be approved by order of the court granting the maintenance payments or support money, and may be terminated in like manner, except that it shall not be terminated in cases where there is any delinquency in the amount of maintenance payments and support money previously ordered or adjudged to be paid to the assignee without the written consent of the assignee or upon notice to the assignee and hearing. When an assignment of maintenance payments or support money, or both, has been approved by the order, the assignee shall be deemed a real party in interest within s. 803.01 but solely for the purpose of securing payment of unpaid maintenance payments or support money adjudged or ordered to be paid, by participating in proceedings to secure the payment thereof. Notwithstanding assignment under this subsection, and without further order of the court, the clerk of court, upon receiving notice that a party or a minor child of the parties is receiving aid under s. 49.19, shall forward all support assigned under s. 48.57 (3m) (b) 2., 49.19 (4) (h) 1. or 49.45 (19) to the department of industry, labor and human relations.

SECTION 269. 767.29 (4) of the statutes is amended to read:

767.29 (4) If an order or judgment providing for the support of one or more children not receiving aid under s. 48.57 (3m) or 49.19 includes support for a minor who is the beneficiary of aid under s. 48.57 (3m) or 49.19, any support payment made under the order or judgment is assigned to the state under s. 48.57 (3m) (b) 2. or 49.19 (4) (h) 1. b. in the amount that is the proportionate share of the minor receiving aid under s. 48.57 (3m) or 49.19, except as otherwise ordered by the court on the motion of a party.

SECTION 270. 767.32 (1) (a) of the statutes, as affected by 1995 Wisconsin Act 77, is amended to read:

767.32 (1) (a) After a judgment or order providing for child support under this chapter or s. 48.355 (2) (b) 4., 48.357 (5m), 48.363 (2), 938.183 (2), 938.355 (2) (b) 4., 938.357 (5m), 938.363 (2) or 948.22 (7), maintenance payments under s. 767.26 or family support payments under this chapter, or for the appointment of trustees under s. 767.31, the court may, from time to time, on the petition, motion or order to show cause of either of the parties, or upon the petition, motion or order to show cause of the department of health and family services, a county department under s. 46.215, 46.22 or 46.23 or a child support program designee under s. 59.07 (97) if an assignment has been made under s. 46.261, 48.57 (3m) (b) 2., 49.153 (3), 49.19 (4) (h) or 49.45 (19) or if either party or their minor children receive aid under s. 48.57 (3m) or ch. 49, and upon notice to the family court commissioner, revise and alter such judgment or order respecting the amount of such maintenance or child support and the payment thereof, and also respecting the appropriation and payment of the principal and income of the property so held in trust, and may make any judgment or order respecting any of the matters that such court might have made in the original action, except that a judgment or order that waives maintenance payments for either party shall not thereafter be revised or altered in that respect nor shall the provisions of a judgment or order with respect to final division of property be subject to revision or modification. A revision, under this section, of a judgment or order with respect to an amount of child or family support may be made only upon a finding of a substantial change in circumstances. In any action under this section to revise a judgment or order with respect to maintenance payments, a substantial change in the cost of living by either party or as measured by the federal bureau of labor statistics may be sufficient to justify a revision of judgment or order with respect to the amount of maintenance, except that a change in an obligor's cost of living is not in itself sufficient if payments are expressed as a percentage of income.

SECTION 271. 767.32 (1) (b) 1. of the statutes is amended to read:

767.32 (1) (b) 1. Commencement of receipt of aid to families with dependent children under s. 49.19 or participation in Wisconsin works under ss. 49.141 to 49.161 by either parent since the entry of the last child support order, including a revision of a child support order under this section.

SECTION 272. 767.47 (6) (a) and (b) of the statutes are amended to read:

767.47 (6) (a) Whenever the state brings the action to determine paternity pursuant to an assignment under s. 46.261, 48.57 (3m) (b) 2., 49.153 (3) (a), 49.19 (4) (h) 1. or 49.45 (19), or receipt of benefits under s. 49.148, 49.155, 49.157 or 49.159, the natural mother of the child may not be compelled to testify about the paternity of the

child if it has been determined that the mother has good cause for refusing to cooperate in establishing paternity as provided in 42 USC 602 (a) (26) (B) and the federal regulations promulgated pursuant to this statute, as of July 1, 1981, and pursuant to any rules promulgated by the department of health and social services which define good cause in accordance with the federal regulations, as authorized by 42 USC 602 (a) (26) (B) in effect on July 1, 1981.

(b) Nothing in par. (a) prevents the state from bringing an action to determine paternity pursuant to an assignment under s. ~~48.57(3m)(b)2, 49.153(3)(a), 49.19(4)(h) 1. or 49.45 (19), or receipt of benefits under s. 49.148, 49.155, 49.157 or 49.159~~, where evidence other than the testimony of the mother may establish the paternity of the child.

SECTION 272m. 799.40 (4) of the statutes is amended to read:

799.40 (4) STAY OF PROCEEDING. The court shall stay the proceedings in a civil action of eviction if the tenant applies for emergency assistance under s. ~~49.19(11)(b) 49.138~~. The tenant shall inform the court of the outcome of the determination of eligibility for emergency assistance. The stay remains in effect until the tenant's eligibility for emergency assistance is determined and, if the tenant is determined to be eligible, until the tenant receives the emergency assistance.

SECTION 273. 814.61 (13) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

814.61 (13) SUPPORT OR MAINTENANCE PETITION. For the cost of court services, whenever a person not receiving benefits under s. ~~49.148, 49.153 or 49.155~~ or aid under s. 49.19, 49.46, 49.465, 49.468 or 49.47 files a petition requesting child support, maintenance or family support payments, \$10 in addition to any other fee required under this section. This subsection does not apply to a petition filed by the state or its delegate.

SECTION 274. 948.22 (4) (b) of the statutes is amended to read:

948.22 (4) (b) For a person not subject to a court order requiring child, grandchild or spousal support payments, when the person knows or reasonably should have known that he or she has a dependent, failure to provide support equal to at least the amount ~~set forth~~ established by rule by the department of health and family services under s. ~~49.19(11)(a) 46.25 (9) (a)~~ or causing a spouse, grandchild or child to become a dependent person, or continue to be a dependent person, as defined in s. 49.01 (2).

SECTION 275. Nonstatutory provisions; industry, labor and job development.

(1t) ALTERNATIVE NAME FOR THE DEPARTMENT. Notwithstanding section 15.22 of the statutes, during the period beginning on July 1, 1996, and ending on the day after publication of the 1997-99 biennial budget act, the department of industry, labor and job development may

use the name "department of workforce development" for any official purpose.

(2) RULES RELATING TO PUBLIC ASSISTANCE. Using the procedure under section 227.24 of the statutes, the department of health and social services shall promulgate rules required under chapters 46, 48 and 49 of the statutes, as affected by the acts of 1995, before July 1, 1996, for the period before permanent rules take effect, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the department of health and social services need not provide evidence of the necessity of preservation of the public peace, health, safety or welfare in promulgating rules under this subsection.

(3) RULES ON QUALIFICATION CRITERIA FOR THE ADMINISTRATION OF WISCONSIN WORKS. Using the procedure under section 227.24 of the statutes, the department of industry, labor and job development shall promulgate rules required under sections 49.143 to 49.157 of the statutes, as created by this act, for the period before permanent rules take effect, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the department need not provide evidence of the necessity of preservation of the public peace, health, safety or welfare in promulgating rules under this subsection.

(4) RULES FOR THE ADMINISTRATION OF THE WISCONSIN WORKS HEALTH PLAN. Using the procedure under section 227.24 of the statutes, the department of health and family services shall promulgate rules required under section 49.153 of the statutes, as created by this act, for the period before permanent rules take effect, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the department of health and family services need not provide evidence of the necessity of preservation of the public peace, health, safety or welfare in promulgating rules under this subsection.

(4m) TRANSPORTATION TO EMPLOYMENT OPPORTUNITIES.

(a) The department of industry, labor and job development shall identify significant local and regional employment opportunities and shall identify the residential locations of current and potential Wisconsin works participants. Local governmental bodies shall assist the department of industry, labor and job development in identifying the employment opportunities and residential locations.

(b) ~~Not later than September 30, 1996,~~ the department of industry, labor and job development shall submit a report to the joint committee on finance that recommends options that Wisconsin works agencies could take

Vetoed
In Part

Vetoed
In Part

to facilitate the transportation of Wisconsin works participants to the employment opportunities identified under Vetoed paragraph (a). The report may not recommend options In Part that would have an adverse impact on existing public transportation systems. The department of transportation shall assist the department of industry, labor and job development in developing options to be included in the report.

(6) KINSHIP CARE ASSESSMENTS AND BACKGROUND INVESTIGATIONS. Beginning on July 1, 1996, each county department of human services or social services under sections 46.215, 46.22 and 46.23 of the statutes, when conducting its regularly scheduled reinvestigation under section 49.19 (5) (e) of the statutes of each nonlegally responsible relative who is providing care for a dependent child, as defined in section 49.19 (1) (a) of the statutes, under a program administered by that county department, shall assess and conduct a background investigation of the relative to determine if the relative is eligible to receive kinship care payments under section 48.57 (3m) (am) of the statutes, as created by this act. Immediately after conducting the assessment and background investigation, each county department of human services or social services under section 46.215, 46.22 and 46.23 of the statutes shall end income maintenance payments under section 49.33 of the statutes to the nonlegally responsible relative and, if the relative is determined to be eligible to receive kinship care payments under section 48.57 (3m) (am) of the statutes, as created by this act, the department of industry, labor and job development shall begin making those kinship care payments or, if the relative is determined eligible to receive foster care payments under section 48.62 (4) of the statutes, the county department shall begin making those foster care payments. Each county department of human services or social services under sections 46.215, 46.22 and 46.23 shall complete all of the assessments and background investigations required under this subsection and shall end all income maintenance payments under section 49.33 of the statutes to those relatives by July 1, 1997.

(7) FUNDING FOR EMPLOYMENT SKILLS ADVANCEMENT PROGRAM. Notwithstanding section 16.42 (1) (e) of the statutes, in submitting information under section 16.42 of the statutes for the purposes of the 1997-98 biennial budget bill, the department of industry, labor and job development shall submit information concerning the appropriation under section 20.445 (3) (em) of the statutes, as created by this act, as though the amount of that appropriation in fiscal year 1996-97 had been \$1,000,000.

SECTION 277m. Appropriation changes; joint committee on finance.

(1) WISCONSIN WORKS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the joint committee on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1995, the dollar amount is increased by \$13,000,000 for fiscal year 1996-97 to

fund the job opportunities and basic skills program, low-income and at-risk child care and initial administrative costs and benefit payments under the Wisconsin works program.

SECTION 278. Initial applicability.

(2t) GROUP HEALTH INSURANCE MARKET REFORM. The treatment of sections 40.51 (8) and (8m), 60.23 (25), 66.184, 111.70 (1) (a) and (4) (n), 111.91 (2) (k), 120.13 (2) (g), 185.981 (4t), 185.983 (1) (intro.), 600.01 (2) (b), 628.34 (3) (a) and (b), 632.747, 632.749, 632.76 (2) (a), 632.896 (4), 635.02 (5m), 635.07, 635.17 and 635.26 (1) (a) and (b) of the statutes and the creation of section 632.745 of the statutes first apply to all of the following:

(a) Except as provided in paragraphs (b) and (c), group health benefit plans that are issued or renewed, and self-insured health plans that are established, extended, modified or renewed, on the effective date of this paragraph.

(b) Group health benefit plans covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with this act that are issued or renewed on the earlier of the following:

1. The day on which the collective bargaining agreement expires.

2. The day on which the collective bargaining agreement is extended, modified or renewed.

(c) Self-insured health plans covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with this act that are established, extended, modified or renewed on the earlier of the following:

1. The day on which the collective bargaining agreement expires.

2. The day on which the collective bargaining agreement is extended, modified or renewed.

~~SECTION 278. EARNED INCOME TAX CREDIT TAX LIABILITY. The treatment of section 71.07 (9e) (em) of the statutes first applies to taxable years beginning on January 1, 1997.~~

Vetoed In Part

~~SECTION 278. EARNED INCOME TAX CREDIT CONTRIBUTION LIABILITY. The treatment of sections 20.445 (1) (gd) and (g2), 108.16 (2) (b), (6) (c) and (11), 108.18 (1) (a), 108.19 (1) and (1m), 108.20 (2m) and 108.22 (1) (g) of the statutes first applies with respect to contributions payable after December 31, 1996.~~

SECTION 279. Effective dates. This act takes effect on July 1, 1996, or on the day after publication, whichever is later, except as follows:

(1) PUBLIC ASSISTANCE AND LOCAL AID. The treatment of sections 20.435 (4) (d), 46.98 (1) (at) and (b), (2) (a), (3) (c), (4) (a) 2., (am) ~~(am)~~ (b), (b) and (d) and (4g) (b), 49.141 (2), 49.143 (1), 49.19 (4e) (a) and (c), 49.193 (2) (a) and (am), (4) (g), (j) 4., and (k) 1m., (4m), (6) (c) and (e), (7) and (9m) (a) and (ag), 49.27 (5) (e) 2., 49.50 (6e) (a) and (b), (6g), (6k) (a) and (b) and (7) (e), 49.52 (1) (d) and 560.14 (1) (a) (intro.), 1. and 2. of the statutes, the renumbering and amendment of sections

Vetoed In Part

46.98 (4) (b), 48.651 and 49.19 (20) of the statutes, the amendment of section 49.193 (8) (bm) of the statutes, the creation of sections 16.75 (6) (bm), 20.445 (3) (dy), (dz) **Vetoed** and (my), 46.98 (1) (bd), (bf) and (cm) and (4) (b) 1., 2. **In Part** and 3., (dg) and (dm), 48.651 (1) (a) and (b) and (2) and 49.19 (20) (b) of the statutes and SECTIONS 275 (2) and (6), 277m and 278 of this act take effect on the day after publication.

(2t) **GROUP HEALTH INSURANCE MARKET REFORM.** The treatment of sections 40.51 (8) and (8m), 60.23 (25), 66.184, 111.70 (1) (a) and (4) (n), 111.91 (2) (k), 120.13 (2) (g), 185.981 (4t), 185.983 (1) (intro.), 600.01 (2) (b), 628.34 (3) (a) and (b), 632.747, 632.749, 632.76 (2) (a), 632.896 (4), 635.02 (5m), 635.07, 635.17 and 635.26 (1) (a) and (b) of the statutes and the creation of section

632.745 of the statutes take effect on the first day of the 12th month beginning after publication.

(3) **QUALIFYING COVERAGE DEFINITION.** The repeal of section 632.745 (1) (f) 2. of the statutes takes effect on the 31st day after the day on which the commissioner of insurance certifies to the revisor of statutes under section 632.745 (3) (c) of the statutes, as created by this act, that section 632.745 (1) (f) 2. of the statutes, as created by this act, is not necessary for the purpose for which it was intended.

**Vetoed
In Part**

(3g) **KINSHIP CARE.** The repeal and recreation of section 48.57 (3m) (a), (am) (intro.), (d) and (e) of the statutes and the amendment of section 48.57 (3p) (g) (intro.) of the statutes take effect on July 1, 1997.

WISCONSIN



WORKS

CHAPTER VIII.
DETAILED WAIVER PROVISIONS

GENERAL PROVISIONS

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
1. Fraud Penalties	W-2 fraud sanctions will result in penalties that differ from those currently defined for the AFDC, Child Care and FS programs.	402(a)(40) 1902(a)(10)
2. Dual Agency Administration for MA/FS	W-2 agencies will administer food stamps and W-2 Health Care Plan for W-2 participants. County/tribal agencies will administer MA/FS for non-W-2 clients. This differs from the current requirement that the administration of AFDC/MA/FS be done by the same agency.	1902(a)(3) 42 CFR 431.10 42 CFR 431.11(d) 42 CFR 431.50(b)
3. Performance Standards for W-2 Agencies	The Department will establish performance standards for the administration of W-2 including the W-2 employment positions, W-2 Health Plan and W-2 Child Care.	402(a)(5) 201.11, 235.50 1903(a)
4. Nonentitlement to W-2 Employment Positions, Health Plan and Child Care	<u>Under W-2 applicants are not guaranteed placement in a W-2 employment position and a subsequent check nor are they guaranteed eligibility for the W-2 Health Plan or W-2 Child Care.</u>	402(a)(10)(A) 233.10(a)(1) 1902(a)(10)
5. Fair hearings	Applicants for and participants in W-2 employment positions (trial job, CSJ or W-2 T) may appeal a W-2 agency's decision related to eligibility or benefits. The appeal process provided for is similar to the conciliation process under the JOBS program.	402(a)(4) 205.10, 250.36 1902(a)(3) Subpart E, Part 431

AFDC PROVISIONS

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
1. Definition of Dependent Child	<p>Under Wisconsin Works, a "dependent child" means a person who resides with a parent and who is under the age of 18 or, is under the age of 19, a full-time student at a secondary school or a vocational or technical equivalent and is reasonably expected to complete the program before attaining the age of 19.</p> <p>The definition no longer requires the child to be deprived of parental support or care.</p> <p>To be considered a "dependent child", either the child's custodial parent, the parent's spouse, or in the case of a parent under age 18, the parent's parent must be eligible for a W-2 employment position. If not eligible for a W-2 employment position, the custodial parent must be an SSI recipient, or in the case of a parent under age 18, the parent's parent must be eligible for SSI.</p> <p>Children residing with and under the care of a relative other than a custodial parent are no longer considered dependent children and do not qualify for AFDC. Their needs may be met through the Kinship Care program funded with Title IV-E dollars.</p>	<p>All AFDC Waiver citations refer to sections of the Social Security Act, or the code of Federal Regulations (45 CFR) Waive all reference to "dependent child" in 402 & 403</p> <p>233.10(b)(2)(ii)(a)(2) & 233.90(c)(i)</p> <p>233.10(b)(2)(ii)(a)(3) & 233.90(c)(v)</p>
2. Definition of Aid to Families with Dependent Children (AFDC)	<p>Under Wisconsin Works, caretaker relatives, except for the adult parents of a dependent child, are not eligible for AFDC.</p>	<p>Waive references to "aid to families with dependent children" in 402 & 403 as it relates to meeting the needs of the relative with whom the child is living.</p> <p>233.10(b)(2)(ii)(b)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
3. Benefit for Dependent Children of Parents Receiving SSI (SSI Households)	<p>Families in which the custodial parent receives SSI, or for families with both parents in the home, both custodial parents receive SSI, AFDC benefits are available to their dependent children if the assistance group meets the other financial and nonfinancial eligibility criteria in effect for AFDC households prior to the implementation of W-2.</p> <p>Under W-2, families headed solely by a parent(s) receiving SSI will be eligible for a supplemental payment of \$77 per month per dependent child. Income and assets of dependent children will continue to be budgeted against the grant. Children are exempt from all JOBS requirements.</p>	<p>402(a)</p> <p>233.20(a)(2)</p> <p>402(a)(7), (17), (19) & (24)</p> <p>233.20(a)(1)(ii),</p> <p>233.20(a)(3)(ii)(B),</p> <p>233.20(a)(3)(ii)(F) &</p> <p>250.30(a)</p>
4. Non-entitlement to Employment Positions	<p>Meeting nonfinancial and financial eligibility criteria does not guarantee placement in an employment position or the receipt of any benefits.</p>	<p>402(a)(10)(A)</p> <p>233.10(a)(1)</p>
60-Day Residency Requirement	<p>As a condition of eligibility for W-2 employment positions, applicants must meet a 60-day residency requirement. Residency of the W-2 group is based on the residency of the adult member(s) of the group.</p>	<p>402(a)</p> <p>233.10(a)(1)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>6. Assistance Group Definition (including AFDC-Unemployed Parent Criteria)</p>	<p>The assistance group or the "Wisconsin Works group", consists of an individual who is a custodial parent, all dependent children (as defined under W-2) with respect to whom the individual is a custodial parent and all dependent children with respect to whom the individual's dependent child is a custodial parent. "Wisconsin Works group" includes any nonmarital coparent or any spouse of the individual who resides in the same household as the individual and any dependent children with respect to whom the spouse or nonmarital coparent is a custodial parent.</p> <p>Excluded from a Wisconsin Works group are persons receiving cash benefits under Wisconsin's relief block grant program for individuals with no dependent children.</p> <p>"Custodial parent" means, with respect to a dependent child, a parent who resides with that child and, if there has been a determination of legal custody with respect to the dependent child, has legal custody of that child.</p> <p>"Parent" means either a biological parent, a person who has consented to the artificial insemination of his wife, or a parent by adoption.</p> <p>"Nonmarital coparent" means, with respect to an individual and a dependent child, a parent who is not married to the individual, resides with the dependent child and is either an adjudicated parent or a parent who has signed and filed with the state registrar a statement acknowledging paternity.</p>	<p>402(a), 402(a)(24), (38) & (41)</p> <p>206.10(a)(1)(vii)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
7. Elimination of Certain Income and Resource Exemptions	<p>All income received by the household is counted when determining eligibility for employment positions, with the exception of the Earned Income Tax Credit (EITC) and the earnings from a W-2 employment position. Such income includes all child support payments, JTPA, SSI, and Foster Care and Adoption Assistance, and educational aid which are currently exempt. Income set asides for stepparents and adult parents in three generation households are not allowed.</p> <p>Burial trusts and other real property are countable assets.</p> <p>Other sources of income and resources that will be counted include those cited in the following Public Laws (P.L.) and others laws not listed here: P.L. 79-396, "National School Lunch Act", §12(e), P.L. 81-171, "Housing Act of 1949", §521(a)(1)(E), P.L. 88-525, "Food Stamp Act of 1977", §8(b), P.L. 89-73, "Older Americans Act of 1965", §210(b), P.L. 89-329, "Higher Education Act of 1965", §479B, P.L. 89-642, "Child Nutrition Act of 1966", §11(b), P.L. 91-646, "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970", §216, P.L. 93-112, "Rehabilitation Act of 1973", §613(c), P.L. 93-113, "Domestic Volunteer Service Act of 1973" (VISTA), §404(g), P.L. 93-134, "Indian Tribal Judgment Funds Use or Distribution Act", §§1, 7 and 8, P.L. 93-288, "The Robert T. Stafford Disaster Relief and Emergency Assistance Act", §312(d), P.L. 94-114, [Indian Tribes-Submarginal Lands], §6, Public Laws 95-433, 498, 499 (involving Indian settlements), P.L. 95-557, "Housing and Community Development Amendments of 1978", §410(b), P.L. 97-35, Title XXVI, "Low-Income Home Energy Assistance Act of 1981", §2605(f), P.L. 98-64, [Per Capita Payments to Indians], §2(a), P.L. 98-432, "Shoalwater Bay Indian Tribe-Dexter-by-the-Sea Claim Settlement Act", §5(e), P.L. 98-500, "Old Age Assistance Claims Settlement Act", §8, P.L. 99-146, [Chippewas of Lake Superior], §6(b), P.L. 99-346, "Saginaw Chippewa Indian Tribe of Michigan Distribution of Judgment Funds Act", §6(b), P.L. 99-377, [Chippewas of the Mississippi], §4(b), P.L. 100-383, [An Act to implement recommendations of the Commission on Wartime Relocation and Internment of Civilians], §§105(f)(2) and 206(d)(2), P.L. 100-407, "Technology-Related Assistance for Individuals With Disabilities Act of 1988", §105(c), P.L. 97-248, §159,</p>	<p>402(a), 402(a)(7), (8), (24), (31), (39) & 409</p> <p>233.20(a)(3), (4) & (11)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
8. Refusal of Bonafide Offer of Employment	A condition of initial eligibility for an employment position components is that an individual did not refuse a bonafide offer of employment in the 180 days prior to application.	402(a) 233.10(a)(1)

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>9. Time-Limited Participation for W-2 Employment Positions</p>	<p>An individual's participation in employment positions and the receipt of a W-2 cash benefit is restricted to a 60-month lifetime limit, with participation in a single component limited to 24 months. Under limited circumstances, described below, an individual may remain more than 24 months in any one W-2 employment position or receive benefits for longer than 60 months.</p> <p>The 60-month clock will only stop for a 12 week period when an individual gives birth and only if the child is born less than 10 months after the person is first determined eligible for AFDC or a W-2 employment position, or if the child was conceived as a result of incest or sexual assault and that incest or sexual assault has been reported to a physician and law enforcement authorities.</p> <p>A W-2 agency may extend the 60-month time limit only if the W-2 agency determines that unusual circumstances as defined by the Department warrant an extension of the participation period.</p> <p>The State or, with the approval of the State, the W-2 agency may grant an extension of the 24-month limit for trial jobs on a case-by-case basis if the participant has made all appropriate efforts to find unsubsidized employment and has been unable to find unsubsidized employment because local labor market conditions preclude a reasonable job opportunity for that participant, as determined by a W-2 agency and approved by the State.</p> <p>The State or, with the approval of the State, the W-2 agency may grant an extension to the 24-month limit for community service jobs on a case-by-case basis if the W-2 agency determines that the individual has made all appropriate efforts to find unsubsidized employment and has been unable to find unsubsidized employment because local labor market conditions preclude a reasonable employment opportunity in unsubsidized employment for that participant, as determined by a W-2 agency and approved by the State, and if the W-2 agency determines, and the State agrees, that no trial job opportunities are available in the specified local labor market.</p> <p>The State or, with the approval of the State, the W-2 agency may grant an extension to the 24-month limit for W-2 Transitional Placement on a case-by-case basis.</p>	<p>402(a)</p> <p>233.10(a)(1)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
10. Early Imposition of Time Limit Clocks. Start Clock with AFDC/JOBS Participation	Five year time limits are imposed on adult household members. The 60-month time clock will begin for certain AFDC recipients participating in the JOBS program on July 1, 1996.	402(a) 233.10(a)(1)
11. Flexibility in Use of AFDC and MA Funds	The fiscal underpinning of W-2 is the flexibility to reallocate funds. It will be necessary to allocate AFDC and MA funds to supportive services.	403
12. Agency Review of W-2 Cases	<p>The W-2 agency will review disputed decisions made by its staff. Participants may ask the State to review the W-2 agency's decision. However, the State is only required to review a W-2 agency's decision to deny an application based solely on a determination of financial ineligibility, if within 15 days after receiving the decision of the W-2 agency, the applicant petitions the department for a review of the decision, or the W-2 agency requests the department to review the decision of the Wisconsin Works agency. The State is not required to review any other requests for a hearing.</p> <p>There is no continuation of benefits for timely requests for a fair hearing.</p> <p>There is no restoration of lost benefits if the State overturns a W-2 decision.</p>	402(a)(4) 205.10
13. Privatization	Two processes will be used to select the local agency provider: 1) A competitive bid through the State Request for Proposal (RFP) process and non-competitive selection based on performance indicators of current providers or 2) Current providers of AFDC and JOBS programs who meet the performance standards and who submit acceptable proposals have the right of first selection.	402(a)(5) 201.11, 235.50

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
14. Performance Standards for W-2 Agencies.	The Department will establish performance standards for the administration of W-2.	402(a)(5) 201.11, 235.50
15. Closing Cases 2-Month Delay	The individual remains eligible for W-2 until the W-2 group's assets exceed the asset limits for at least two consecutive months or until the income of the W-2 group has exceeded the gross income limit for two consecutive months or the W-2 group's income is expected to exceed the gross income limit for at least two consecutive months.	402(a)(7), (13)(A)(i), (17) & (18) 233.20(a)(3)(ii)(A), 233.20(a)(3)(xiii)
16. Changing Asset Limits	Asset exclusions are limited to the homestead, a total of \$10,000 vehicle equity and \$2500 in all other assets.	402(a)(7)(B) 233.20(a)(3)(i)(B)
17. Lump Sums	Receipt of lump sums will not affect eligibility for W-2 employment position benefits.	402(a)(17) 233.20(a)(3)(ii)(F)
18. Benefit Calculation	Once a family has passed the income eligibility test, earned and unearned income is not deducted from the grant amount. For example, a family with a CSJ, receives \$555/month and one child receives social security benefits of \$188/month. Under AFDC, the social security would have been deducted from the AFDC grant. It is <u>not</u> deducted from the CSJ benefits, but is counted in determining whether the family's income is at or below 115 percent of the federal poverty level.	402(a)(7) & (13) 233.20(a)(3)(ii)(B)

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>19. Elimination of AFDC Needs Standards for W-2 Employment Positions and Parents of Children Less Than 12 Weeks Old</p>	<p>There is no standard of need based on family size for persons in W-2 employment positions. There are gross income limits. The income level at which individuals become eligible for W-2 is 115 percent of the federal poverty level for the appropriate family size.</p> <p>The W-2 benefit will be \$555 per month for persons participating the required hours in community service jobs.</p> <p>A benefit of \$555 per month will be available for a custodial parent of a child who is 12 weeks old or less and who meets the other W-2 eligibility requirements.</p> <p>W-2 T benefit will be \$518 per month for persons participating the required hours in Transitional placements.</p> <p>Waive requirement to report to the DHHS Secretary regarding AFDC need and payment standards as required under 402(h).</p>	<p>402(a)(7), (8), (18) & 402(h)</p> <p>233.20(a)(3)(ii)(A), & 233.31</p>
<p>20. Elimination of Child Care Disregard</p>	<p>All participants will make co-payments based on a percentage of the cost of care and on income and family size. No child care assistance is available for children age 13 and older.</p>	<p>402(a)(8)</p> <p>233.20(a)(11)(T)(D)</p>
<p>21. Learnfare Sanctions</p>	<p>Parents participating in a trial job, CSJ or W-2 Transition whose teen children do not attend school regularly will have their monthly cash benefits reduced.</p>	<p>402(a)(19)</p> <p>250.32</p>
<p>22. Non-Custodial Parent</p>	<p>Non-custodial parents with a child support order will be eligible for job search assistance and case management, in order to increase child support payments through employment.</p> <p>These references refer to the requirements of JOBS participation of recipients of AFDC and the eligibility for JOBS Supportive Services of AFDC applicants and AFDC eligible families.</p>	<p>402(a)(19)</p> <p>250.30(a)</p> <p>255.0</p> <p>255.2</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
23. Sanctions for Failing to Cooperate with Child Support	Participants in any W-2 component who fail to cooperate with the child support agency, without good cause, are subject to the following sanction: After three sanctions for non-cooperation, the participant and family are prohibited from receiving any W-2 benefits for non-cooperation until they cooperate. After three separate events of non-cooperation, families lose eligibility for W-2 services for a period of six months. Restoration of eligibility after six months will require cooperation with the child support agency.	402(a)(26) 232.12(d), 232.13(b) & 255.2(a)
24. Paying Child Support Directly	Child support will be paid directly to the W-2 household and will not be deducted from cash benefits. Child support will be counted in the gross income test for initial and continuing eligibility.	402(a)(26) 232.11
25. Treatment of Stepparent Income	Stepparents will be considered a member of the W-2 household and their income will be considered in the gross income eligibility determination.	402(a)(31) 233.20(a)(3)(xiv)
26. Elimination of MA Extension	For the most part, W-2 Health Care will be available indefinitely to W-2 Health Plan participants whose income remains below 200 percent of the federal poverty level, a significant expansion of current income limits. Ineligibility for this expanded population occurs when employer subsidized health care becomes available or after 12 months with an employer who provides unsubsidized family coverage.	402(a)(37) 233.20(a)(14)
27. Eligibility of Aliens Sponsored by Agencies or Organizations	Aliens sponsored by organizations or agencies are eligible for W-2 employment positions if they meet all other W-2 eligibility criteria.	415(c) 233.51(e)
28. Deeming Income and Resources of Alien Sponsors	Income and resources from alien sponsors is not used in determining eligibility for W-2 cash assistance.	415(d) 233.51

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
29. Fraud Penalties	If a court finds or it is determined after an administrative hearing that a member of a W-2 group applying for or receiving either employment positions, job access loans, education and training, health care or child care benefits for the purpose of establishing or maintaining eligibility for those benefits, or for the purpose of increasing the value of those benefits, has intentionally violated, on three separate occasions, any W-2 provision or policy, the W-2 agency may permanently deny all W-2 employment positions and job access loans to the individual.	402(a)(40) 235.112(c)
30. Minor Parents Required to Live at Home	<p>Only teen parents who live at home will be eligible for some W-2 benefits, such as services of the Financial and Employment Planner (FEP). Minor parents are not eligible for W-2 employment positions (i.e., cash assistance).</p> <p>Only minor parents in an out-of-home placement supervised by an adult are eligible for a job access loans in the two months before they turn 18 if they have completed high school or the equivalent.</p>	402(a)(43) 233.107

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
31. State Wide Application of Eligibility Criteria	<p>W-2 will be phased in over a period of time. During that time, some persons will continue to receive AFDC while others receive W-2 benefits. In addition to policies modified under W-2 waivers, participants in W-2 during the implementation phase will no longer be subject to numerous state policies found in Wisconsin's AFDC State Plan. Examples include, but are not limited to the following policies:</p> <p>No eligibility for essential persons unless they are considered a member of a W-2 group;</p> <p>Protective or vendor payments for mismanagement and non-payment of rent;</p> <p>W-2 participants will no longer monthly report or have their benefits determined using retrospective budgeting;</p> <p>Cash assistance is no longer available to pregnant women with no other children;</p> <p>There is no special needs standard and payment for pregnant women in the last two months of their pregnancy;</p> <p>Assistance from other agencies will be counted;</p> <p>No allocation of income is allowed from the W-2 group to persons outside the W-2 group when determining eligibility.</p>	<p>402(a)(1), 405 & 406(b)(2)</p> <p>233.20(a)(2)(vi), 233.36, 233.20(a)(3)(vii), 233.20(a)(3)(ii)(C), 234.60 & 233.90(c)(2)(iv)</p>
32. Quality Control	<p>Modify or remove quality control requirements for the W-2 program.</p>	<p>408</p>
33. Filing of Federal Fraud Reports	<p>Remove requirement for State to file 4110 Fraud report with DHHS.</p>	<p>402(a)(6)</p> <p>205.60(b)</p>
34. W-2 Benefit under Trial Jobs	<p>No residual grants will be issued to persons participating in trial jobs.</p>	<p>402(a)(19)(A)</p> <p>250.62(f)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
35. Placement-Related Services for Unsubsidized Employment	<p>Highest rung of the W-2 employment component ladder. It is a condition of eligibility to search for unsubsidized employment during the application process. The ultimate goal is to place a maximum number of participants into this category. The number of unsubsidized placements is a critical indicator of agency performance.</p> <p>These references refer to the requirements of JOBS participation of <u>recipients</u> of AFDC and the eligibility for JOBS Supportive Services of AFDC <u>applicants</u> and AFDC <u>eligible</u> families.</p>	<p>402(a)(19)(B)(I)(I)</p> <p>250.30(a) 250.60 255.0 255.2</p>
36. Trial Jobs	<p>Trial jobs are actual employment situations paying at least minimum wage. The state will reimburse the trial job employer up to \$300 per month for a full-time placement. These wages are subject to social security and income taxes. Trial jobs are for W-2 recipients with minor barriers to unsubsidized employment. Participation in the trial job component may not exceed 24 months, with three to six months spent at any one trial job. Hours of participation may include education and training activities.</p>	<p>402(a)(19)(A) & 482(e)</p> <p>250.61 & 250.62</p>
37. CSJs	<p>Community service jobs (CSJs) are work experience programs for W-2 parents with substantial barriers to employment. Up to 30 hours of participation in a job per week will be required with the ultimate goal of replicating unsubsidized employment. Hours of participation may include up to 10 hours per week of education and training activities. Benefit payment is \$555 per month. CSJ benefits are not subject to taxes. Participation in the CSJ component may not exceed 24 months.</p> <p>Failure to participate in a CSJ without good cause will result in a reduction of the \$555 benefit at the rate of \$4.25 times the number of hours missed (without good cause) in a month.</p>	<p>482(f)</p> <p>250.63, 250.47(b), 250.34 (a)(1)(I), (ii) & (iii) & 250.34(a)(2)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
38. Requiring Participation over 20 hours per week for parents of children under six.	Parents of young children are required to participate full time in employment components to receive a full benefit.	402(a)(19)(C)(iii)(II) 250.30(b)(9)(ii)
39. W-2 Transition	<p>W-2 Transition benefits are \$518 per month. W-2 T participants will be individuals with severe barriers to employment, e.g., significant alcohol and other drug abuse (AODA) problems, temporary physical or mental health disabilities. W-2 T participants will be expected to participate in work or other activities at a level fitting their abilities up to 28 hours per week. Full-time participation is the goal but part-time participation may be required by the FEP in some cases and will not result in a reduction in benefits. Participation in W-2 T is limited to 24 months; extensions of this limit may be granted on a case-by-case basis. W-2 T is intended for individuals who have an expectation of climbing the W-2 employment position ladder. It is not intended to assist permanently disabled individuals.</p> <p>Hours of participation may include up to 12 hours per week of education and training activities in addition to the 28 hours per week of work or other activities.</p> <p>Failure to participate (without good cause) in W-2-T activities will result in a reduction of the \$518 benefit at the rate of \$4.25 per hour.</p>	402(a)(19)(C)(iii)(II) 250.30(b)(9)(ii), 250.34(a)(1)(I), (ii) & (iii) 250.34(a)(2)

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
40. Job Access Loans	<p>In order to prevent families with short-term, emergency needs from becoming dependent on welfare, Job Access Loans (JALs) will be available at the discretion of the FEP to assist with one-time needs to support employment, e.g., car repair, clothing for work, housing emergencies, etc. Each W-2 agency will have a limited budget for JALs which can be repaid either in cash or through community service work.</p> <p>JALs will be available at the discretion of the FEP to assist with one-time needs to support employment, e.g., car repair, clothing for work, etc.</p> <p>JALs must be repaid either in cash or repaid in a combination of cash and community service work.</p> <p>JALs will be available to some families that are not eligible for a W-2 benefit (e.g., minors who will turn 18 within two months).</p> <p>JALs are not available to migrants.</p>	<p>402(a)(19) & 402(g)</p> <p>255.1</p> <p>250.30(a)</p> <p>255.0</p> <p>255.2</p>
41. Flexibility in Use of AFDC and MA Funds	<p>The fiscal underpinning of W-2 is the flexibility to reallocate funds. Under W-2, it will be necessary to allocate AFDC and MA funds to supportive services.</p>	<p>403</p> <p>250 Subpart H</p> <p>255.4</p>
42. Child Care Co-Payment Requirements	<p>All participants will make co-payments based on a percentage of the cost of care and on family income.</p>	<p>402(g)(1)(A) & (B)</p> <p>255.3</p>
43. Community Steering Committee	<p>The W-2 agency will have the responsibility for organizing Community Steering Committees. These committees will consist of local leaders from business, education and other fields. CSCs will be charged with the responsibility of identifying and encouraging employers to provide job opportunities for W-2 participants including supported employment activities, such as on-site training and addressing the Children's Services Network.</p>	<p>402(a)(19)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
44. JOBS Program Provisions	In order to receive benefits, a participant must participate in a W-2 employment position (trial job, CSJ, or W-2 T). Under the JOBS program, failure to cooperate results in the removal of the non-cooperative parent only from the grant. Failure to participate under W-2 may result in the termination of total cash benefits.	402(a)(19)(C) & (G) 250.30(a) & (b) 250.34 (a)(1)(I) & (ii) & (iii) 250.34(a)(2) 250.35 250.36
45. AODA Participation	W-2 applicants and recipients may be required to participate in AODA assessment, evaluation and treatment as part of determining appropriate employment position placement and/or as a participation requirement for W-2 T.	402(a)(19)
46. Caring for Child Under Age One Job Exemption	The age of the child, for exemption purposes, drops to 12 weeks (and under limited circumstances).	402(a)(19)(C)(iii)(I) 250.30(b)(9)(I)
47. Employment Category Sanctions	Persons who refuse to participate, without good cause, three times in any W-2 employment category are permanently ineligible for that category.	402(a)(19) 250.34
48. Applicant Job Search	Applicants for W-2 benefits are required to search for unsubsidized employment while being determined eligible for any W-2 employment position. Failure to complete job search requirements may result in denial of benefits.	402(a)(19) 482(g) 250.60
49. Extensions of Time-Limited Participation in Employment Positions	Under limited circumstances, an individual may remain more than 24 months in any one W-2 employment position or receive benefits for longer than 60 months.	402(a)(19)
50. CWEP Participation	The hours of participation in an employment position will normally be 40 hours per week.	482(f) 250.63 & 250.47(b)

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
51. One-Parent Participation in Subsidized Employment Position at a Time	In two-parent households, only one parent may participate in a W-2 employment position at a time. Each parent maintains a separate time clock to track the 60-month lifetime participation limit.	402(a)(19)
52. Emergency Assistance	Emergency Assistance for certain homeless persons will only be available once in a 36-month period unless the homelessness was due to domestic abuse. In those cases Emergency Assistance would be available once in a 12-month period.	406(e)(1) 233.120(b)(3)
53. Displacement	<p>W-2 includes protections from displacement for regular employees by a W-2 employment position participant. The following are issues not covered by the W-2 displacement provisions:</p> <p>Partial displacement of currently employed workers or positions, which is defined as a reduction in the hours of non-overtime work, wages, or employment benefits.</p> <p>Impairment of existing contracts for services or collective bargaining agreements.</p> <p>Infringement upon promotional opportunities of any currently employed person.</p> <p>Filling of any established unfilled position vacancy by a W-2 participant.</p>	402(a)(19)(A) 251.3 (a), (b), (d) & (e)

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
54. Recoupment	<p>If an overpayment made to someone in a W-2 employment position is the result of an intentional violation, the Department shall recover the overpayment by deducting an amount based on the dollar amount of overpayment. Overpayments exceeding \$300 will be recouped at set amounts without regard to what percent of the monthly benefit those amounts may be.</p> <p>W-2 participants are not entitled to corrective payments for underpayments.</p>	<p>402(a)(22)(A) & (C) 233.20(a)(13)(I)(A)(2) & 233.20(a)(13)(ii)</p>
55. Garnishment of W-2 Benefits for Copayment of Premiums	<p>Participants in a W-2 employment position will have health care and child care copayments deducted from either the wages paid by an employer for trial jobs participants, or from the grants paid for persons in CSJ or Transitional placement positions.</p>	<p>402(a) 234.11(a)</p>
56. Automatic Data Processing	<p>W-2 will require significant revisions to Wisconsin's automated system. It is requested that a separate ADP <u>not</u> be required; rather that the waiver approval also constitutes approval of the ADP work required in the automated system to implement W-2.</p>	<p>45 CFR 95.611</p>

MEDICAID PROVISIONS

W-2 PROVISIONS	DESCRIPTION OF PROVISION	WAIVER CITATIONS
1. Entitlement status of MA	W-2 provides separate eligibility determinations for all programs and benefits are provided upon payment of required premiums. There is no entitlement or categorical eligibility as under current provisions except that W-2 employment position participants are required to participate in the W-2 Health Plan.	1902(a)(10)(A)(I)
2. Elimination of MA extension	In general, W-2 provides an unlimited extension to families until they reach 200 percent of poverty, as long as premiums are paid. Under the MA program AFDC recipients who have received benefits in three of the last six months and who lose eligibility because of increased hours, increased income or loss of the earned income disregards are guaranteed an extension of MA benefits.	1902(a)(10) & (52) 1925
3. HMOs	The W-2 Health Plan will incorporate a mandatory HMO enrollment or primary provider program for all W-2 recipients. In most areas, there will be a choice of HMO organizations. This requires a waiver of the related SSA that guarantees the freedom of choice of MA recipients.	1915(b)
4. Maintenance of Effort MA	W-2 Health Plan expands eligibility to previously ineligible groups of individuals. Previously ineligible groups that could be eligible for W-2 are not entitled to the 60 percent federal match for MA without a waiver.	1902 1903(I)
5. Loss of W-2 Health benefits when employer health plan is available	W-2 Health Plan eligibility ends when the participant becomes eligible for employer health benefits. The SSA has no similar provisions.	1902(a)(10) 1912
6. W-2 Health Plan premiums	W-2 Health Plan has a mandatory premium for all recipients. The federal law states that MA recipients cannot be charged a premium.	1916
7. MA Income Eligibility Limits	The W-2 Health Plan tests income eligibility for all using 165 percent of the federal poverty level. Waivers are needed to allow consistent treatment of all families.	1902(r)(2) 1903(f)(4)

W-2 PROVISIONS	DESCRIPTION OF PROVISION	WAIVER CITATIONS
8. Income Disregards	W-2 simplifies income disregards currently used in the AFDC program. The W-2 Health Plan will use the new disregards established by W-2.	1902(a)(10)(A)
9. Assets	Asset limits under W-2 are increased for some assets (vehicles, liquid assets) and exclusions eliminated for some other assets that are excluded under the current AFDC policy, which also apply to MA.	1902(r)(2)
10. Privatization	W-2 local agency provider selected through a competitive bidding process (RFP) and non-competitive selection based on performance indicators of current providers. Allowing a non-government agency to determine eligibility for the W-2 Health Plan requires a waiver.	42 CFR 433.10
11. Treatment of Stepparent Income	Under W-2 stepparents income will always be considered in the gross income eligibility determination. Current MA eligibility only includes the income of a stepparent that is considered an essential person or deems stepparent income to the AFDC group.	1902(a)(17)(D) except that court ordered payments made to individuals not in the W-2 household will continue to not be counted.
12. Minor Parents Required to Live at Home	To be eligible for the W-2 Health Plan a minor parent must be living with a custodial parent or in an approved living arrangement. This requires further restrictions of the groups identified as eligible for MA under the federal regulations.	1902(a)(10)(I)
13. Agency Review of W-2 Cases	Under MA, an applicant or recipient can appeal an eligibility or benefit decision of a county or tribal economic support agency to the state. Under the W-2 program, agency reviews of eligibility or benefit decisions are limited to applicants or recipients of W-2 employment positions. There is no appeal or review process for the W-2 Health Plan.	1902(a)(3)

W-2 PROVISIONS	DESCRIPTION OF PROVISION	WAIVER CITATIONS
14. Sanctions for Failing to Cooperate with Child Support	W-2 sanctions are more stringent than sanctions under the MA program. Pregnant women who fail to cooperate with child support may lose W-2 Health Plan eligibility whereas the current system maintains MA eligibility through the pregnancy plus an additional 60 days with no requirement to cooperate with child support. Under MA only the non-cooperating adult becomes ineligible for failure to cooperate with child support whereas under the W-2 Health Plan children whose parents do not cooperate with child support will also lose W-2 Health Plan eligibility.	1912(a)(1)(v)

CHILD SUPPORT PROVISIONS

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>1. Paying Child Support Directly</p>	<p>Under W-2, child support will be counted in the gross income test for initial and continuing eligibility for employment programs, health care coverage, and child care services. After W-2 eligibility is established, child support will be paid directly to W-2 households and will not be deducted from cash benefits. Assigned arrears accrued prior to W-2 will remain assigned to the state until that amount of aid paid that represents the amount due as support or maintenance has been recovered. No amount of support that begins to accrue after W-2 will be assigned to the federal government. <i>Currently, child support payments to an AFDC household are assigned to the State to offset the cost of benefits. The first \$50 of child support is passed through to the recipient and is not counted against the grant.</i></p>	<p>402(a)(26), 454(4)(a),(5),(11) and 457(a)(b) of the Social Security Act, and 45 CFR sections 232.11(a)(1)(2)(3), 232.20(a),(b),(d), 302.32(a),(e) and (f)(2), 302.37, 302.51(b)(1),(2), (3), (f), and 302.54(b)(1) and (2).</p>
<p>2. Child Support Disregard</p>	<p>Under W-2, income from child support will not affect the amount of the cash benefits received by families, as long as their total income level, remain within W-2 eligibility levels. Child support will be included as income in determining initial and continuing eligibility for employment programs, health care coverage, and child care services. <i>Under current law the first \$50 of child support collected monthly is sent to the family, and is not counted against their grant. The remaining support is retained by the State and the federal government. This becomes a moot point if all child support is sent directly to the family.</i></p>	<p>Social Security Act Sections 402(a)(8)(A)(vi) 457(b)(1) 45 CFR Sections 232.20(a) and (d) 302.51(b)(1)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>3. Mandatory cooperation with child support</p>	<p>Under W-2, cooperation with child support will be required as a condition of eligibility for food stamps, employment programs, health care coverage, and child care services.</p> <p>If any member of a W-2 eligible household refuses to cooperate, the household will be removed from participation in all programs until cooperation resumes. The third time an individual in a particular household is sanctioned, the sanction will last six months or until that participant resumes cooperation, whichever is later. <i>Under current law, including case law, a participant's sanction is lifted as soon as she formally indicates a willingness to cooperate.</i></p> <p>Pregnant women with no existing children will not be sanctioned for failure to cooperate with child support, during the time that they are pregnant. But pregnant women who have existing children have no "grace period" for cooperation with child support. <i>Under current law a woman has no requirement to cooperate while pregnant or for 60 days after giving birth.</i></p>	<p>402(a)26 of the Social Security Act</p> <p>45 CFR 232.12, 232.13 256.2(d)(2).</p>
<p>4. Continuation of eligibility for IV-D services when W-2 participation ceases</p>	<p>All participants in W-2 programs, including food stamps, employment positions, health care, child care, and Kinship Care, would qualify to receive ongoing IV-D services without application and without an application fee unless the applicant requests that the IV-D case be closed. Child support services will be continued automatically upon termination of W-2 services, just as if the families leaving the W-2 program were former AFDC recipients.</p>	<p>402.(a)(11), 454(a) of the Social Security Act.</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>5. Providing all appropriate child support services to W-2 Participants.</p>	<p>All W-2 participants, including food stamps, employment positions, health care, child care, and Kinship Care will be automatically referred for IV-D services. They will not be required to sign an application for IV-D services or to pay fees for service. Services would be provided to all W-2 participants at the same level they are provided to current AFDC recipients.</p> <p>The same level of cooperation that is currently required of AFDC recipients would also be required of W-2 participants. Participants currently seeking medical support-only, would, under W-2, be subject to the same cooperation requirements as are current child support participants, and could not limit their participation to obtaining medical support enforcement.</p> <p>All W-2 participants would have their arrears certified for tax intercept at the \$150 level, and would be certified as if on AFDC.</p> <p><i>Under current law, there are some differences in the inclusion of various categorical participants in various child support enforcement or case management functions. For instance, tax intercept debt levels are different for AFDC (\$150.00) vs. non-Aid (\$500.00) cases.</i></p>	<p>45 CFR sections 303.72(a)(2)(i), 303.72(a)(3)(ii)</p> <p>464 of the Social Security Act</p> <p>26 USC 6402(c)</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>6. Earning Incentives on Child Support Collections</p>	<p>A family found eligible to participate in W-2 will receive those specific W-2 services that are necessary to help the family achieve financial independence through employment, based on the particular needs and circumstances of the family. Depending on case circumstances, a W-2 eligible family may participate in food stamp employment programs, receive child care services, receive health care coverage, or all three.</p> <p>Like AFDC recipients, all W-2 families participating in employment programs, child care assistance, health care coverage, or all three, will be automatically referred for child support services. They will <i>not</i> be required to sign an application for IV-D services or to pay fees for service. They <i>will</i> be required to cooperate with child support, just as if they were AFDC recipients. Child support services will be continued automatically upon termination of W-2 services, just as if the families leaving the W-2 program were former AFDC recipients.</p>	<p>45 CFR 304.12</p> <p>458 of the Social Security Act</p>

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
<p>Continued: Earning Incentives on Child Support Collections</p>	<p>Because W-2 is a work-based substitute for AFDC, Wisconsin is requesting a waiver to allow the state to count collections made on behalf of <i>all</i> families participating in W-2 including food stamps as AFDC collections for the purpose of reporting collections and calculating federal child support incentives, regardless of whether those W-2 eligible families are receiving one or all available W-2 benefits and services.</p> <p><i>Under existing requirements, AFDC and TRCC recipients must cooperate with child support for the purpose of establishing paternity, child support, and medical support obligations, and the enforcement of such obligations. MA-only recipients are required to cooperate for the purpose of establishing paternity and medical support obligations, but not required to cooperate for the purpose of establishing and enforcing child support obligations. Also, women who are MA-only recipients aren't required to participate while pregnant or for two months following the birth of a child. Also, AFDC, MA-only and TRCC recipients must cooperate with child support, but collections made on behalf of TRCC recipients and MA-only recipients are reported as nonAFDC collections.</i></p>	<p>45 CFR 304.12</p> <p>458 of the Social Security Act</p>

CHILD CARE PROVISIONS

W-2 PROVISIONS	DESCRIPTION OF PROVISION	CITATIONS
1. Eligibility age for child care	Under W-2, only children under age 13 are eligible for child care.	45 CFR 255.2 and 256.2
2. Financial eligibility for child care	Under W-2 families will be eligible if their income is less than 165 percent of the FPL. All families will pay a co-payment amount based on family income and the category of child care accessed.	402(g)(1)(A)(I) 45 CFR 255.2(a)

WISCONSIN



W-2

WORKS

CHAPTER IX.
FOOD STAMPS

Food Stamps

Food stamp benefits are an integral part of the Wisconsin Works (W-2) plan. The comprehensive array of services to be offered through the Job Centers is an innovative approach to reducing welfare dependency. Including the Department of Agriculture's nutrition program along with health, child care, and comprehensive employment services will assist families to become and remain employed. The food stamp waiver requests are designed to complement the overall program and to facilitate the transition from welfare dependency to financial independence and sustained productivity. To further enhance this transition, Wisconsin is moving forward to implement Electronic Benefits Transfer (EBT) in the Food Stamp Program. EBT more closely replicates actual cash purchase of food items, yet maintains the benefits of a nutrition program for eligible recipients.

The following changes in the Food Stamp Program will facilitate the Wisconsin Works plan to transition W-2 recipients to financial independence:

Food Stamp Certification

The W-2 agency will have responsibility for conducting certification interviews and determining food stamp eligibility for W-2 participants. The W-2 agency may be operated by private, for-profit businesses, private, non-profit organizations, or government entities. Applicants for and recipients of W-2 services will be served in the most efficient and comprehensive manner by allowing Wisconsin the flexibility to determine the service provider.

Graduated Benefit Levels

As W-2 recipients move from welfare dependence due to increased earned income, they will continue to receive food stamp benefits until disposable income provides true financial independence. Food stamps are among the supportive services essential to continued independence through employment.

Food Stamp Employment and Training Exemptions

While Congress continues to improve the compatibility and effectiveness of the AFDC, Medical Assistance, and Food Stamp Programs, the inconsistencies in the regulations governing work program requirements continue to impede some reform efforts. The exemption from work for persons caring for a child under 12 weeks of age replaces the outdated exemption for persons caring for a child under six years of age. Enhanced child care funding facilitates the move to full employment for parents of young children.

Pay for Performance

It is requested that Wisconsin be able to implement a pay for performance strategy for all able food stamp recipients and require participation in a work program. Individuals would lose \$4.25 for each hour of scheduled non-participation. It is further requested that work supplementation or trial jobs as described under the W-2 program be approved for food stamp only participants. Participants that have worked at least 20 hours a week continuously for three months in unsubsidized employment may be allowed the cash equivalent for their food stamps at the state's option.

Electronic Benefit Transfer (EBT)

The transition to EBT debit cards from food stamp coupons assists in erasing the stigma of welfare from this nutrition program. Enhanced self-esteem for working participants will encourage continued employment until financial independence is achieved.

Food Stamp Waivers

Food Stamp Certification

Type of Request:	Initial
Primary Regulation Citation:	7 CFR 272.4
Secondary Regulation Citation:	None
State:	Wisconsin
Region:	Midwest Region
Regulatory Requirements:	Volunteers and other non-state employees shall not conduct certification interviews or certify food stamp applicants. State agency personnel used in the certification process shall be employed in accordance with the current standards for a merit system of personnel administration or any standards later prescribed by the U.S. Civil Service Commission under section 208 of the Intergovernmental Personnel Act of 1970.

**Proposed Alternative
Procedures:**

The State of Wisconsin may contract with private, for-profit businesses with experience in employment, private, non-profit organizations, or government entities to operate within multi-disciplinary Job Centers for the Wisconsin Works (W-2) welfare initiative. The W-2 agencies' Financial and Employment Planners will conduct certification interviews and food stamp eligibility determinations for those clients eligible for W-2 services.

Justification For Waiver:

Wisconsin's AFDC replacement, W-2, emphasizes employment. Job Centers are designed to offer comprehensive services to eligible clients. While it is likely that the county social or human service agencies will be performing the food stamp case management functions available through the Job Centers, other alternatives for administration of W-2 may be chosen in some areas. It is anticipated that food stamp only cases will continue to have eligibility determinations done through county agencies.

**Anticipated Impact on
Households and State Agency
Operations:**

If contracted non-government agencies are unable to make eligibility determinations for the Food Stamp Program, clients would have to visit a second location for the food stamp application and/or interview. It is the State's plan to provide a comprehensive array of services to clients at one location. This will provide the most effective and efficient delivery system for both clients and the State.

Caseload, QC Error Rate Data:

Wisconsin's QC error rate for FFY 94 was 10.51 percent. It is anticipated that the new system of administration will have a positive effect on lowering the error rate in certain areas of the State.

**Anticipated Implementation
Date and Time Period for
Waiver:**

Anticipated implementation date is September 1997. This waiver would be ongoing and renewable.

**Proposed QC Review
Procedures:**

Wisconsin specifically requests to be relieved of the stringent review methodologies specified in the Food Stamp program regulations (7CRF275.10 to 275.14) and federal review manuals.

Graduated Benefit Levels

Type of Request:

Initial

Primary Regulation Citation:

7 CFR 273.9

Secondary Regulation Citation:

None

State:

Wisconsin

Region:

Midwest Region

Regulatory Requirements:

Non-categorically eligible households must meet the gross income limits to be eligible for food stamp benefits. There is a flat 20 percent deduction from earned income for work related expenses and deductions. Dependent care deductions are limited to \$200 for each child under two and \$175 a month for each other dependent.

**Proposed Alternative
Procedures:**

The gross income test will be waived for those households that are no longer categorically eligible due to the loss of Wisconsin Works (W-2) benefits through increased earned income. Net income will be determined by deducting all actual expenses from the gross income. These expenses would include shelter and utility costs, all dependent care expenses (no limit), all taxes and FICA benefits, health insurance, child support payments if not paid and claimed directly, and other employer mandated deductions such as uniform or cleaning expenses.

Justification For Waiver:

Analysis by Wisconsin's Legislative Fiscal

Bureau of projected changes in disposable income for households that lose eligibility for W-2 services due to increased earned income indicates that disposable income actually decreases as some households earn more money, but face increased costs for child care and health insurance because increased co-payments and eligibility for Earned Income Tax Credits and food stamps ends. The alternative procedure would provide for a more gradual decrease in food stamp benefits.

Anticipated Impact on Households and State Agency Operations:

Households that would otherwise experience a decrease in disposable income as earnings increase will not be penalized for increased efforts toward financial independence.

Caseload, QC Error Rate Data:

Wisconsin's QC error rate for FFY 94 was 10.51 percent. There is no caseload data available specific to the individuals who might be impacted by the change in rules.

Anticipated Implementation Date and Time Period for Waiver:

Anticipated implementation date is July 1, 1996. The waiver would be ongoing and renewable.

Proposed QC Review Procedures:

QC reviews would be completed in accordance with the proposed alternative procedures.

Food Stamp Employment and Training Program Exemptions

Type of Request:	Initial
Primary Regulation Citation:	7 CFR 273.7(b)
Secondary Regulation Citation:	None
State:	Wisconsin
Region:	Midwest Region

Regulatory Requirements:

The regulations at 7 CFR 273.7(b) identify those persons who are exempt from participation in the Food Stamp Employment and Training Program.

Proposed Alternative Procedures:

The following persons shall be exempt from participation in the Food Stamp Employment and Training Program:

(a) The primary caretaker relative who personally provides care for a child under 12 weeks of age living in the home except that, if the primary caretaker relative is under the age of 20 and has not completed high school or received a high school equivalency diploma, he or she shall participate in educational activities described under 45 CFR 250.44(a)(1).

(b) Age 60 or older.

(c) Working for wages at least 129 hours per month in a job expected to last a minimum of 30 days and his or her hourly earnings are at least equal to the legally established minimum wage for the type of job held. This may include self-employment if the recipient's monthly net earnings divided by the lesser of the state or federal minimum wage equal or exceed 129 hours a month.

(d) Under age 16, or age 16 or 17 and enrolled as a full-time student in an elementary or secondary school or a vocational or technical school that is equivalent to a secondary school. A student shall be considered enrolled if the student has not graduated, has not been legally excused from school attendance by the school board, or has an excused absence for no more than 30 days due to a physical or mental condition.

(e) An 18-year old full-time student in a high school, or in the equivalent level of vocational or technical training, who is reasonably expected to complete the program before reaching age 19, or, an 18-year old enrolled in and regularly attending a high school program leading to a high school diploma.

(f) Incapacitated, ill or injured with a medically-determined physical or mental impairment which prevents the person from temporarily or permanently participating in FSET activities or holding a job. This shall include a period of recuperation after childbirth if prescribed by the woman's physician. Unless the medical condition is determined by a physician to be permanent, the person shall be reexamined by a physician annually or on or before the date a physician stated the incapacity is expected to cease, whichever comes first.

(g) Needed, as determined by the agency, to remain at home to look after another member of the household because of that person's medical condition.

(h) Participating in Learnfare.

Justification For Waiver:

Increased consistency in rules governing the AFDC and Food Stamp Programs has been a stated goal of the Food and Consumer Service, federal Department of Agriculture and the federal Department of Health and Human Services. The effectiveness of both programs is dependent on assisting families and individuals to find and keep employment. Consistency in the rules regulating work program exemptions and good cause reasons promotes both of these goals.

Anticipated Impact on Households and State Agency Operations:

Consistency in the rules governing all work program requirements is essential to assisting this low-income segment of the population move toward economic self-sufficiency. Current differences in the programs are confusing to the participants and hamper state agency efforts to reduce economic dependence.

Simplification and coordination of the rules governing work program exemptions under the new Wisconsin Works (W-2) initiative will have a positive effect on state agency operations. Differing policies between the two programs are confusing to workers and extremely error prone.

Caseload, QC Error Rate Data:

Wisconsin's QC error rate for FFY 94 was 10.51 percent. There is no caseload data available specific to the individuals who might be impacted by the change in rules.

Anticipated Implementation Date and Time Period for Waiver:

Anticipated implementation date is July 1, 1996. This waiver would be ongoing and renewable.

Proposed QC Review Procedures:

QC reviews will determine work program exemptions as outlined in the proposed alternative procedures.

Food Stamp Work Requirements

Type of Request:

Initial, Demonstration Project

Primary Regulation Citations:

7 CFR 273.7 and 7 CFR 273.22

Secondary Regulation Citations:

7 CFR 273.7(b)(1)(iii), 273.7(g)(1), and 273.22(f)(6)

Primary Law Citation:

The Food Stamp Act of 1977, as amended

State:

Wisconsin

Region:	Midwest Region
Regulatory Requirements:	The regulations at 7 CFR 273.7 contain rules to be followed in operating a Food Stamp Employment and Training (FSE&T) program and 7 CFR 273.22 contain rules to be followed in operating a Food Stamp Workfare program. 7 CFR 273.7(b)(1)(iii) defines the exemption from FSE&T for JOBS mandatory individuals. 7 CFR 273(g)(1) defines noncompliance with FSE&T regulations. 273.22(f)(6) outlines the penalties for failure to comply with Food Stamp Workfare regulations. Failure or refusal without good cause to comply with the requirements result in ineligibility for the whole household.
Proposed Alternative Procedures:	<p>The work requirements for both W-2 and Food Stamp Workfare will be merged under a single W-2 work program with consistent guidelines. Exemptions from the work program participation requirement and good cause for non-participation will be the same for both W-2 and food stamps. Recipients may be assigned to participate up to a maximum of 40 hours per week in one of the W-2 work components.</p> <p>The reduction in food stamp benefits is not ongoing but lasts for only one month. Each month the recipient's participation in work programs will be assessed to determine the level of benefits. Assigned hours of participation will be reviewed on a monthly basis. Benefit reduction will only occur if the recipient failed to participate without good cause.</p> <p>NOTE: Non-participation without good cause which occurs by an individual who possesses any Food Stamp Employment and Training (FSE&T) exemption other than the W-2 participation exemption will not have their</p>

household's food stamp allotment reduced.

Justification For Waiver:

Combining of W-2 and food stamp work requirements into a single program with consistent guidelines would greatly increase efficiency in program administration.

As an employment and training program designed to improve employability and enable individuals to move into regular employment, the W-2 work program participation requirements attempt to duplicate un-subsidized employment both in the number of work hours assigned and in the reduction of income as when hours of employment are voluntarily reduced.

Current regulations on non-compliance often result in hardship for the food stamp unit when all benefits are terminated. Decreasing benefits on a par with rate of work participation is a more objective approach that replicates the working world.

Anticipated Impact on Households and State Agency Operations:

There will be a positive impact on households participating in the Food Stamp program as compliance with the work program will be more directly and clearly reflected in the benefit levels.

With the enhanced work program, it is anticipated that most participating household members will find employment, increasing the number of households above the poverty level and reducing both the W-2 and food stamp caseloads.

The demonstration project is proposed for implementation in all Wisconsin counties. The

current AFDC caseload in Wisconsin as of April 1996 numbered 59,963. These households will be required to report compliance with work program requirements on a monthly basis. Other changes would be reported according to rules governing change reporting households.

Caseload, QC Error Rate Data: Wisconsin's QC error rate for FFY 94 was 10.51 percent. It is anticipated that the new system of administration will have a positive effect on lowering the error rate in certain areas of the State.

Anticipated Implementation Date and Time Period for Waiver:

Anticipated implementation date is September 1997. The demonstration is ongoing and renewable.

Proposed QC Review Procedures:

Benefits will be decreased for non-compliance with the W-2 program participation. Benefits will be reduced by the applicable federal minimum wage rate (currently \$4.25) for each hour of non-compliance, applied first to the W-2 benefit. When the W-2 benefit reaches zero, food stamp benefits will be reduced at the same rate of non-compliance for each hour of non-compliance.

FSE&T and Workfare regulations as outlined in 7 CFR 273.7 and 7 CFR 273.22 will be used in reviewing other aspects of the work programs.

Nutrition Education

Type of Request: Initial, Demonstration Project

Primary Regulation Citation: 7CFR 274.3

Secondary Regulation Citations: 7CFR 277.4(b)(3) and 282.6

Primary Law Citation: The Food Stamp Act of 1977, as amended

State: Wisconsin

Region: Midwest Region

Regulatory Requirements: The regulation at 274.3 concerns the Food Stamp issuance system. 277.4 and 282.6 regulate grant awards for demonstration projects.

Proposed Alternative Procedures: Wisconsin proposes to implement mandatory nutrition education for W-2 participants. To ensure that W-2 participants receive necessary nutrition education, the Financial and Employment Planner (FEP) will require participation in a training component whose goals would include providing culturally diverse, reliable information in the areas of nutrition and food budgeting, improving food buying and management practices, maximizing family and individual nutrition, and reducing food costs through purchasing skills.

At assessment, the FEP will initially introduce W-2 families to nutritional education through informational brochures, on-site presentations, etc. Participants will be counseled on accessing resources such as free/reduced school lunch program, the women, Infants and Children (WIC) Supplemental Food Program and others. Further nutrition training will be offered by the FEP throughout the course of the eligibility period as part of a case management plan.

Forty-four cases in Wisconsin currently participate in the Family Nutrition Education Project which is approved and partially funded by the Food and Consumer Service. W-2 local

agencies would either implement non-duplicated nutritional training components based on this project or integrate projects already in place. Pre-testing and post-testing of participants will measure the nutritional awareness level of households both before and after training.

In order to reinforce nutrition and food budgeting and food management skills learned in the nutrition education program, Wisconsin proposes to issue food stamp benefits in the form of cash to those households participating in the W-2 program. For recipients to succeed when they become self-sufficient, they need to know how to budget for nutritional needs without the parameters specified for food stamp coupon use.

The Food and Consumer Service will be requested to provide funding for benefits through the grant award process on a quarterly basis as is utilized in the IV-A program. Grant monies will be drawn monthly and issued to participating households in the form of a check. It is proposed that a single monthly check will include W-2 and food stamp benefits. That portion of the check designated as food stamp benefits will not be considered as income for purposes of determining eligibility for other programs such as W-2 or HUD in accordance with federal law.

Justification for Waiver:

W-2 participants will have knowledge of nutrition and budgeting to be able to manage money effectively to meet family nutritional needs and to practice good food buying. Participants will be able to buy nutritional food with cash from providers who would not otherwise be authorized to accept food stamp coupons, e.g. farm markets.

Benefit calculation and benefit issuance will also be simplified by cashing out food stamp coupons. Combined benefit issuance will increase efficiency in the administration of the program and in the delivery of benefits to eligible households.

W-2 is a totally new concept designed as a comprehensive and integrated program to reduce dependency and encourage self-sufficiency. It is essential to the program that benefits for both W-2 and food stamps replicate benefits received from unsubsidized employment.

**Anticipated Impact on
Households and State
Agency Operations:**

Most failed attempts at self-sufficiency by welfare recipients can be traced to a lack of life skills, not a lack of job opportunities. Along with nutrition education, the W-2 agency will provide life skills training where necessary, including household budgeting. Working families do not have a voucher system for food and must budget cash income to ensure that nutritional needs are met. To be able to reinforce money management techniques, it is essential to have a cash version of food stamps.

In addition, food stamp cash out has been in effect for almost 18 months in the two Work Not Welfare counties. Recipients report a higher satisfaction level with using cash instead of food stamps. The result has been increased self-esteem in successful budgeting and the removal of the stigma attached to the use of food coupons at local grocery stores. In addition, there has been no reported increase in the demand on charitable organizations such as food pantries, etc.

**Anticipated Implementation
Date and Time Period for
Waiver:**

The program would be implemented state wide in Wisconsin for all food stamp recipients participating in the W-2 program. Wisconsin's current caseload numbers 59,963. These households would be prospectively budgeted and required to report compliance with work program requirements on a monthly basis. Other changes will be reported according to rules governing change reporting households.

Caseload, QC Error Rate Data:

Wisconsin's QC error rate for FFY 94 was 10.51 percent. It is anticipated that the new system of administration will have a positive effect on lowering the error rate in certain areas of the state.

**Date and Time Period for
Anticipated Implementation
Waiver:**

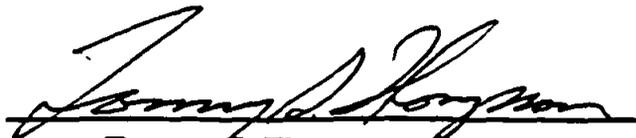
Anticipated implementation date is September 1997. The program is ongoing and renewable.

**Proposed QC Review
Procedures:**

Standard QC procedures will be used.

05/28/96

Required Signature for Food Stamp Waivers and Request Date

Signature: 
Tommy G. Thompson, Governor

Date of Request: 5-28-96
May 28, 1996

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W-2

WORKS

CHAPTER X.
EVALUATION

The Research Plan

Introduction: The New Partnership

No matter from what perspective—state, federal, or international—it is viewed, Wisconsin Works is an extraordinary proposal. It is the first fully articulated model of a comprehensive alternative to the present Aid to Families with Dependent Children program. Its emphasis on work as the foundation for public assistance is unmatched among other state proposals. Consistent with this emphasis, the program reaches beyond the welfare rolls to provide health insurance opportunity and child care subsidies for the working poor. Moreover, Wisconsin proposes *statewide* implementation. Wisconsin has the political commitment, the managerial capacity, and the ambition to undertake such a change in a way that will not only accomplish the task, but set an example to other states by showing the way to “end welfare as we know it.”

“Showing the way” means just that: *Showing* the way. While our nine-year history of active welfare innovation has laid the foundation for W-2, much of the water into which we are sailing is uncharted. The state is prepared to make mistakes and to learn from them, and the state’s political leadership and implementing agencies are committed to sharing the lessons learned here with other states willing to show similar ambition and commitment. We understand the key role to be played by the U.S. Department of Health and Human Services, as representative of the federal government, in facilitating this undertaking and the dissemination of information to be gained from it.

Wisconsin Works offers an opportunity not only for genuine welfare reform, but also for rethinking state-federal collaboration in providing public assistance. Accordingly, this application for a Section 1115 waiver looks to an evaluation model that joins state and federal government in a partnership for change. To understand what we believe such a partnership might entail, it is important to discuss first what both the state and the federal government need to obtain from an evaluation plan.

State Evaluation Needs

Federal evaluation requirements for welfare reform have typically focused on two things: Assessment of costs to assure cost neutrality and a classical evaluation setup in which the net effects of an innovation are gauged by comparing outcomes for a group of recipients receiving the “treatment” to outcomes for a group subject to pre-innovation requirements. Allocation of applicants or recipients between the two groups is done by random assignment in order to assure that experimental participation is independent of other individual or family attributes.

We understand the merits of random assignment techniques both as a basis for assessing cost effects and for disciplining assertions about what the effects of various programs actually are.

Nonetheless, Wisconsin and other states have legitimate complaints about evaluation strategies commonly required for obtaining waivers. Changing welfare is a very difficult task requiring both vision and commitment to a fundamental reorientation of the supporting bureaucracies and service-providing contractors. It does not happen instantaneously. But the evaluation models that are promoted in the waiver process seem all too often to call for new procedures to be designed, implemented, and then frozen to permit data to be collected on outcomes for persons subjected to the new system as well as controls purposefully (and often expensively) assigned to something else.

It is exceedingly difficult to carry out a classical evaluation in the context of on-going agency renewal, where learning *how to do* something new may be more important, at least over current planning horizons, as assessing just what the something new *does*. Moreover, when reform is accompanied by major publicity and extensive outreach to encourage public and private agencies to increase their efforts on behalf of those seeking assistance, maintaining an uncontaminated control group is virtually impossible. We often feel that very real accomplishments in management go unacknowledged, while far too much time must be given over to responding to external challenges and to the conducting of evaluation schemes that appear to be of little benefit to the state.

Research is essential to W-2 implementation. But initially, the key research issues do not involve assessing the net effects of W-2 compared to AFDC as we have in the past known it. W-2 is changing and will continue to change. What is essential is to assure the W-2 that is eventually implemented is the best version of the program possible. Thus from the state's perspective the initial objective of evaluation is *feedback*, translating what is learned quickly into implications for operations management. It is our judgment that the great shortcoming of most welfare reform evaluation schemes is that they are divorced from implementation and operation. This divorce has two important consequences. One is that when results finally appear, they are often too late to be of much value. The second is reduced state interest. It is hard to maintain administrative enthusiasm for research that is disconnected from management and for which relevance is often neither understood or appreciated.

We propose an alternative, two-stage approach to reform evaluation. The first stage emphasizes management issues and creating an infrastructure for making evaluation an on-going part of the implementation process. The second stage uses the infrastructure to support a collection of evaluations of W-2 related issues using a variety of evaluation methodologies.

Our initial interest is not the net effect of W-2 nor, for that matter, cost neutrality (but we do return to this later!). What we do view as essential *stage one* research tasks are:

- Development of a management information system suitable for supporting W-2 operations;

- Development of a baseline forecast of the demand for W-2 components and movements among the various categories that can be used for projecting costs and establishing a system for early detection of aspects of program implementation which would benefit from modification; and
- Development of a system of performance indicators for monitoring and rewarding contractor achievement as well as continuous assessment of overall program accomplishments.

The striking feature of this *stage one* list is the signal importance of *management* as opposed to net effects, issues. Some research in progress, in particular the Work Not Welfare, Pay for Performance, and Self-Sufficiency First initiatives have the potential for contributing to all three developments.

We also have *stage two* evaluation concerns. These involve matters such as the relative effectiveness of various operational alternatives for component effectiveness, the incidence of problem outcomes (such as cases in which parents refuse to cooperate once enrolled in W-2), and spillover effects of W-2 on neighborhood stability and demand for other public services. But the external consequences of W-2 will clearly depend upon the success of the program's implementation. Therefore, it is appropriate to focus first upon development of an *internal* evaluation apparatus oriented toward assuring program delivery. This effort will improve our ability ultimately to gauge the *external* effects of the program.

Before turning to federal evaluation needs, it is important to cite one more state concern. Wisconsin's welfare policy achievements have received extensive national and international attention. As a result, the state must deal with a great deal of traffic, many requests for information, and many offers of research support. This traffic, these requests, and the research offers are themselves a major management problem. On the one hand, we believe it essential that our story—both successes and shortcomings—be told accurately and completely. Research has a vital role to play in assuring that the potential of W-2 is realized. On the other, the coordination of information acquisition, information dissemination, and research has proved to be an extraordinary management burden. The costs imposed by this burden are certain to go up as the target date for full-scale W-2 implementation is approached. Accordingly, we consider the design and implementation of a *research and information infrastructure* to be an important aspect of W-2. This infrastructure will be sustained and improved through both evaluation stages.

Federal Needs for Evaluation

Broadly speaking, the federal interest in the waivers process involves *stewardship* over the substantial amounts of federal funds involved, *protection* for the well-being of the poor, reliable *assessment* of outcomes, and *exchange* of information so that useful innovations in program and management can be shared nationally. To this might be added a concern about *precedent*: To the extent that one state is granted what appear to be exceptional advantages in the waiver process, others are sure to demand the equivalent.

The great advantage of the current waivers process is that the connection between random assignment and cost neutrality fosters, at least in some instances, both federal oversight of funds use and assessment of outcomes. Since classical experimental design has been used in almost every approved waiver-based demonstration, this requirement has the strength of precedent. But random assignment has not served the ends of *protection* or *exchange* well. In the former case, it is possible that most of the consequences of program change for family, and especially child well-being occur as a result of the likelihood of program entry, and it is very difficult to assess entry effects with current evaluation methods. In the latter case, the focus of most evaluation strategies on outcomes has meant that process has been neglected. As a result, even in cases in which net positive effects are observed it is difficult to establish what actually happened to produce experimental-control differences. These assessments are further hindered by the failure of most state demonstrations to produce data in a form suitable for analysis by independent researchers.

We do not believe that federal interests in evaluation of W-2 diverge at all from the state's interests. The "new partnership" evaluation strategy will serve both ends to an extent without precedent in state welfare reform initiatives. It is our intention to make this partnership itself part of the W-2 laboratory and a showpiece for our national and international visitors.

The Evaluation Proposal

The evaluation strategy has four parts:

- Review and restructure of demonstration projects in process, including "Work Not Welfare," "Self Sufficiency First," and "Pay for Performance" demonstrations.
- Initiation of two non-experimental evaluation efforts to create a baseline for evaluation of W-2 effects on federal and state costs as well as household circumstances statewide.
- Initiation of a Wisconsin Works Management and Evaluation Project (W2MEP) to coordinate and fund evaluation activities.

- Delivery to the Administration for Children and Families of a series of implementation products, including an agenda and timeline for post-implementation W-2 research.

Each of these components is discussed below.

Review and restructure. Welfare reform in Wisconsin has changed substantially since our first efforts nine years ago. With experience has come a clearer concept of where we wanted to go: Wisconsin Works. But experience has also taught that long horizons on research projects make little sense in a world in which the environment of policy and the capabilities of managing agencies are continuously changing. The information we are currently gaining from the last generation of welfare reform projects, in particular the Work Not Welfare, Self-Sufficiency First, and Pay for Performance initiatives is very useful. But the evaluations for all three were originally designed with emphasis on long-term effects. We believe these experiments can be better utilized as sources of information for W-2 implementation, and we think it important to plan for eventually folding the experiments into W-2. The presence of these experiments complicates planning for evaluation of W-2, so resolution of the issue is a very important first step in designing the W-2 assessments.

Non-experimental evaluation efforts. The importance to the federal government of establishing a baseline for assessing the overall effects of Wisconsin's initiatives on federal costs is understood. We share with the federal government interest in the effects of W-2 on the demand for public assistance and upon the labor force participation and other behaviors of people who, under the AFDC system, would be likely to apply for welfare. We plan immediate initiation of efforts intended to address both issues.

Estimating caseload effects of W-2 and associated programs will be accomplished through a *national* matched county design in which every Wisconsin county is matched to two other counties outside the state on the basis of population characteristics and economic structure. Public assistance utilization in Wisconsin will then be compared to utilization in these reference counties from 1994 until W-2 evaluation efforts are concluded. The model for this evaluation is Isserman and Rephann's (1995) assessment of the effects of the Appalachian Regional Commission¹. The Isserman-Raphann analysis emphasizes economic circumstances, but the basic strategy can be readily replicated by addition of county data on public assistance receipt. We want to establish the baseline for measuring overall program effects in (calendar)1994 because it was in that year that the direct effects of the state's "Work First" initiative and the announcement effects of the Work Not Welfare project became apparent in case data.

¹ Andrew Isserman and Terence Rephann, 1995. "The Economic Effects of the Appalachian Regional Commission: An Empirical Assessment of 26 Years of Regional Development Planning." *Journal of the American Planning Association*, 61(3), 1345-364.

The second evaluation effort will examine the incidence of employment and public assistance use among households prior to full-scale welfare reform, on the eve of W-2 implementation and two years there after. This evaluation will utilize 1990 census data as well as the 1997 and 1999 household surveys to be conducted in the state in conjunction with the Urban Institute/Annie E. Casey Foundation "Assessing the New Federalism" project. The UI/Casey Foundation surveys are planned to involve 1,400 households with oversampling in areas traditionally featuring substantial poverty incidence. We plan active involvement in the discussion of survey design and implementation that are underway and that will continue through the summer. This survey provides a unique opportunity to study a wide range of issues related to W-2 impacts with a survey that will offer precision of measurement superior to that accomplished by the Current Population Survey in even the largest of states.

Wisconsin Works Management and Evaluation Project. W-2MEP will be a joint effort between the Department of Workforce Development as the agency for W-2 management and a research-oriented organization capable of providing overall direction and coordination for internal and external research and development efforts. W-2MEP will be managed by a steering committee made up of DWD leadership and evaluation staff and two-three nationally-recognized experts in program management and evaluation. The W-2MEP will be responsible for coordination of external support for W-2 systems development and for developing a research agenda for addressing key management and evaluation issues. The connection with an external agency is intended to facilitate research management and short-term contracting with contributing scholars and consultants and to enhance our ability to augment our own resources with funds from nongovernment sources, especially foundations. We will select membership for and operate W-2MEP in such a way that enhance the national recognition of the state's commitment to serious research. While the agency to be used to support W-2MEP has yet to be selected, we will be looking to select one which brings capability for management and evaluation studies to the project. The organization should also have some capacity for public relations and information dissemination as well as conference organization. While we expect that initial start-up costs for W-2MEP will be foundation-funded and that eventually the project will attract sizable outside resources for support of W-2 evaluation, the core will be the contract between supporting organization with the state. This contractual relationship signals the importance of the W-2MEP to the state and the responsibility of W-2MEP participants to assist in seeing W-2 implemented successfully.

Product Delivery. The "deliverables" for the research plan are set out in the project timetable. For 1996 this will include agreement on a plan for the county match system of effects evaluation, the design and utilization of the Urban Institute household survey, the experts to be invited to join the W-2MEP advisory committee, and the three management projects. While considerable executive activity for W-2MEP will occur in 1996, we expect to convene the first formal meeting of the committee in January of 1997 to review the outcomes of the management projects and the plan for and progress of the county match program. In 1997 the committee will focus on

development of plans for monitoring W-2 implementation and for effects assessment. We will commission a plan for W-2 components evaluation to be completed in December. This plan will be reviewed by the W-2MEP in January of 1998; on the basis of this review and agency review, a set of agreements and contracts for component evaluation will be established in spring of that year.

We are prepared to make a commitment of state funds for this effort of \$1 million for the first year of the waiver project. We have received expressions of interest for funding contributions from several national foundations. Our ambition is to raise overall spending on W-2 design support and evaluation planning to a level of approximately \$2 million in the first year of operation.

The Problem of Precedent

The four-part evaluation strategy we propose will provide more information, in a more useful way, than has ever been provided in the past by a state welfare reform initiative. We have made a good-faith effort to meet every federal need while at the same time building in a mutuality of interests that will reinforce Wisconsin's commitment to genuine and broad-reaching W-2 assessment. However, on the key point of experimental design, it is essential to avoid random assignment for measurement of overall W-2 effects.

While it is possible that ACF may be concerned that approval of our approach will create a precedent that will compromise the integrity of the waiver process as a whole. We do not believe such a compromise is a problem, because our proposal is itself dramatically exceptional. Wisconsin's reforms are fundamentally different from other welfare reform initiatives in that they are comprehensive and in the amount of state fiscal commitment involved. Moreover, we have organized a research commitment that is in itself unparalleled both in terms of scope and total commitment of funds from all sources. Finally, no other state has the experience in welfare reform initiatives that Wisconsin has accumulated since 1987. If the values expressed by W-2 are the values the nation wishes to pursue in undertaking welfare reform—and we have President Clinton's assurance that this is the case—then it makes very good sense to take the leap in a median-sized state that has consistently shown commitment both to good government and to changing the culture of welfare. The evaluation management structure we have proposed serves this end.

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WORKS

CHAPTER XI.

WORK PLAN, STAFFING AND IMPLEMENTATION POTENTIAL

Work Plan and Target Dates for Implementation of Wisconsin Works (W-2)

Tasks prior to federal approval of proposal:

Task #	Completion Date	Results/Work Product
1	February 22, 1996	Preliminary waiver analysis
2	April 25, 1996	W-2 legislation signed
3	May 3, 1996	Submittal of letter amending PFP and WNW to ACF
4	May 17, 1996	Child care manual approved
5	May 28, 1996	Submit W-2 waiver application to federal government
6	May 31, 1996	DOA review of RFP
7	June 7, 1996	Acceptance of amended terms and conditions for PFP and WNW demonstration projects
8	June 17, 1996	RFP issued
9	July 1, 1996	W-2 60-month clocks installed on CARES
10	July 1996	Identification of collaborating agency for support of the Wisconsin Works Management and Evaluation Project (W2MEP) and participatory invitations to foundations
11	July 1996	Complete review of survey plan for Urban Institute household survey; establish W2MEP/agency working groups for MIS, baseline simulations, and performance indicators projects
12	July 15, 1996	RFP amendment issued
13	August 1, 1996	Federal approval of W-2 waiver

Following approval by federal government (Excludes reference to Child Care and CARES [see #3 for dates affecting Child Care and CARES activities following approval by federal government]):

Task #	Completion Date	Results/Work Product
14	August 1996	Establish steering committee for the W2MEP
15	August 15, 1996	Letter of intent to contract by county is due
16	August 15, 1996	Policy documents completed
17	September 1996	Issue contract for matched county caseload effects study
18	September 1, 1996	Administrative rules are developed

19	September 30, 1996	State Plan change - early implementation
20	October 1, 1996	Final non-competitive results determined
21	November 1, 1996	RFP proposals due
22	December 1996	Circulate draft plans for MIS, refined baseline simulations, and performance indicators
23	January 1997	Convene W2MEP steering committee for review of management projects and county caseload effects proposal; also, establish committee for effects assessment planning
24	January 1, 1997	Contract award letters issued
25	March 1, 1997	W-2 contracts begin
26	April 1, 1997	W-2 policy manuals are issued
27	July 1997	W2MEP effects assessment committee reports; steering committee meets to review implementation evaluation
28	August 1997	W-2 training completed
29	August 29, 1997	Emergency rules issued
30	September 1, 1997	W-2 program begin date
31	September 1997	State Plan change
32	December 1997	First draft components evaluation plan due
33	January 1998	Evaluation steering committee meets to discuss components evaluation plan

Following approval by federal government affecting actions related to child care and CARES

Task #	Completion Date	Results/Work Product
34	August 1996	CARES costs estimated
35	August 1, 1996	New child care policies become effective
36	September 1, 1996	CARES business requirements begin
37	December 1996	Central automation for child care check-writing is completed
38	December 1, 1996	CARES Milestone I - Process model is completed
39	January 1997	Automation design for W-2 Child Care is completed
40	March 1, 1997	CARES Milestone II is completed
41	April 1997	Manual draft for W-2 Child Care completed
42	April 1997	CARES acceptance testing
43	July 1997	W-2 Child Care eligibility and payment system is automated statewide

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July 1997

Automated information on child care providers
completed**Product indicating a work plan task is completed**

Task #	Product
1	Waiver analysis
2	State legislation
3	Letter to ACF
4	Child care manual
5	Full W-2 waiver
6	DOA letter regarding RFP approval
7	Approval letter from ACF regarding WNW and PFP waiver revision
8	Preliminary RFP
9	CARES clocks operational
10	DWD letter identifying W2MEP collaborating agency; also, participatory invitations to foundations
11	DWD documents regarding Urban Institute review and work group rosters
12	Amended RFP
13	Approval letter from ACF regarding W-2
14	Steering committee roster
15	County letters of intent
16	Policy documents
17	County caseload effects study contract
18	Administrative rules
19	State plan (early implementation)
20	Department notification regarding non-competitive results
21	RFP's received by Department
22	Draft plans for MIS, refined baseline simulations, and performance indicators
23	W2MEP steering committee meeting
24	W-2 contract award letters
25	W-2 contracts
26	W-2 policy manuals
27	W2MEP effects assessment committee report
28	W-2 training materials
29	Emergency rules
30	DWD notification letter
31	State plan (final)
32	Draft evaluation plan components

33	Evaluation steering committee minutes
34	W-2 CARES budget
35	W-2 child care policies
36	W-2 CARES business requirements
37	Child care check writing is automated
38	CARES Milestone I
39	W-2 child care automation
40	CARES Milestone II
41	W-2 child care manual
42	CARES acceptance testing reports
43	W-2 child care eligibility/payment system is automated
44	W-2 child care provider information is automated

Progress Reports

Annual reports will be submitted within 60 days of the end of each year following project implementation. The reports will include a summary and analysis of the interim quarterly reports. The final report will include a summary and analysis of the project and the final evaluation of the project.

Quarterly progress reports will be submitted within 60 days of the end of each calendar quarter. Each report will include supporting documents as appropriate and will include the following:

- **Activities and Accomplishments.** Major activities and accomplishments during the period will be reported. This section will also describe any draft or final products.
- **Dissemination Activities and Training Provided.** The report will include a brief description of project-related inquiries and information dissemination activities carried out over the report period. Copies of published materials considered relevant to project activities or used for project information or public relations purposes will be included.
- **Data Presentation of Program Implementation and Operation.** Significant findings and events that occur during the period will be reported. Statistical data will be included.
- **Problems Encountered and Solutions.** The report will include any deviations or departures from the original project plan including actual or anticipated changes in task completion dates, and special problems encountered in the quarter or expected in the future. Solutions to the problems will also be described.
- **Activities Planned for the Next Report Period.** The report will identify activities that are planned for the next report period.

Project Staff Organization Chart

The W-2 project will be administered by the Department of Workforce Development, which is newly formed as a part of the Governor's 1996-97 budget bill. An organization chart describing the new Department follows this section.

Within the Department of Workforce Development, the Division of Economic Support/Bureau of Welfare Initiatives will be directly responsible for W-2 project management. An organization chart for the current Division of Economic Support and Bureau of Welfare Initiatives also follows this section.

Qualifications of Other Staff or Organizations Affiliated with the Demonstration

W-2 will be administered as part of the Department's integrated employment and training system called the Partnership for Full Employment (PFE). Under the Department's direction, multi-disciplinary Job Centers will be the service delivery vehicle for the PFE, including W-2.

Job Centers either collocate or otherwise integrate the services of numerous government, non-profit, education, and private enterprises. Common Job Center partners include:

- **County Human Service Agencies.** Counties have a long record of innovative and successful service provision to low-income individuals. Counties are also responsible for much of the state's welfare reform success due to their administration of the existing demonstration projects.
- **JOBS Agencies.** Numerous counties subcontract their JOBS services to various agencies. Wisconsin has been a national leader in welfare-to-work efforts due to the efforts to these JOBS agencies.
- **Tribal Agencies.** Wisconsin is home to 11 tribes. Efforts are made to integrate services to the native American population whether it is under federal or state jurisdiction.
- **Job Service.** Job Service has been a leader in job seeker and employer relations in the state. Through the application of such tools as JobNet and staff interaction with customers, many of the state's unemployed have found employment through Job Service services.

- **Technical Colleges.** Wisconsin welfare-to-work efforts rely heavily on the partnership between local agencies and regional technical colleges. Technical colleges provide adult basic skills courses in addition to short-term occupation-specific training opportunities.
- **Temporary Employment Companies.** Job placement firms serve as a key partner in the effort to employ former AFDC recipients due to their labor market expertise and relationship to employers.
- **National Human Service Agencies.** National human service agencies, such as Goodwill, offer exceptional services to special populations. Among the unique needs that are met include non-English speaking outreach and services to people with disabilities.
- **Private Industry Councils.** Local Private Industry Councils provide exceptional administrative capacity to Job Centers in addition to a strong liaison to the business community.
- **Child Support Agencies.** Child support is a key link to self-sufficiency; thus, child support agencies are a key component in the PFE.

Facilities and Location Where Activity Will Be Conducted

The implementation of W-2 will be held within the contextual framework of the Partnership for Full Employment (PFE). The PFE will make the connection for all job seekers (former AFDC recipients, dislocated workers, et. al.) and Wisconsin employers. It seeks to consolidate over 100 separate employment and training programs by utilizing the state's comprehensive Job Center network.

Through a partnership between government, Private Industry Councils, education, business and community-based organizations, Wisconsin has developed the nation's first state network of Job Centers. Job Centers provide "One-Stop Shopping" that assists all job seekers to find education, training, and links to employment. It also serves businesses that are seeking employees.

Job Centers feature the award-winning JobNet computer system. Awarded 1st place in the U.S. Department of Labor's "Leading Tools and Technology" category for 1995, JobNet is a touch-screen computer system which displays job opportunities by industry, region, and including full- and part-time employment.

JobNet is accessible via the Internet and approximately 10,000 people access it every week. It is available at 189 work stations in 31 locations. By next year, JobNet is expected to be expanded to 355 work stations in 120 locations.

Further, JobNet is connected to *America's Job Bank*, a network that links 1,800 state employment service offices around the nation.

Job Centers offer many other resources such as Job Seeker Workshops and Career Information tools. Sixty-two Job Centers are either operational or in development across the state.

Implementation Potential

The national welfare debate has many voices and numerous models for experimentation. However, several issues have surfaced as commonly supported. First, there is an insistence that public assistance recipients work in exchange for benefits. Further, there is a greater demand for personal responsibility and a demonstrated need for stronger families and communities.

These issues are among the leading concerns addressed by the W-2 program. Given Wisconsin's success with welfare reform to date, its progressive history of social welfare innovation, and its strong economy, the state serves an excellent place to implement the most aggressive attempt to reform welfare since the 1930's.

The lessons learned from W-2 will benefit the entire nation, as other states seek to reform welfare and create a new workforce comprised of former welfare recipients.

The cost savings and benefits of W-2 have already begun and are expected to be considerable. While the program may cost more than the current AFDC program during the first two years, the increased investment will save welfare spending for generations following.

The strong work emphasis of W-2 will create a new culture of self-sufficiency which will create taxpayers instead of people currently living on tax support. This is evidenced by the W-2 bridge programs--Work Not Welfare and Pay for Performance/Self-Sufficiency First. Since it began in January 1995, the AFDC caseload has declined 47 percent in the two Work Not Welfare pilot counties.

The State of Wisconsin is an ideal environment to conduct W-2 due to numerous historical and present-day factors. The state has long served as the nation's leader in social welfare innovation; e.g., pioneering the first worker's compensation system.

More recently, the state has administered the most aggressive welfare reform agenda during the past ten years. Governor Thompson introduced his administration's first welfare reform package in 1987, and has since received permission to conduct over a dozen demonstration projects from three presidential administrations. These efforts have contributed to an AFDC caseload decline of approximately 39 percent since 1987.

The strength of local government and its partner agencies is another reason why W-2 will be successful in Wisconsin. As noted by national welfare policy expert Dr. Larry Mead, Wisconsin county welfare workers and JOBS agency staff are among the most dedicated and capable workers nationally.

For W-2 to be successful, there must be enough jobs. Wisconsin has created over one-half million jobs in the last eight years. For over 90 months, the state's unemployment rate has been well below the national average; it is currently the seventh lowest rate in the nation (3.8 percent versus 5.5 percent nationally) and the lowest it has been in Wisconsin in a quarter century.

But will W-2 work in Milwaukee, the state's major metropolitan area? The Wisconsin Independent Business Association surveyed its membership and found many respondents who are willing to hire unskilled people with no work history in minimum wage-subsidized jobs. More specifically, 56% of its member respondents indicated that they would hire at least one former AFDC recipient in Milwaukee.

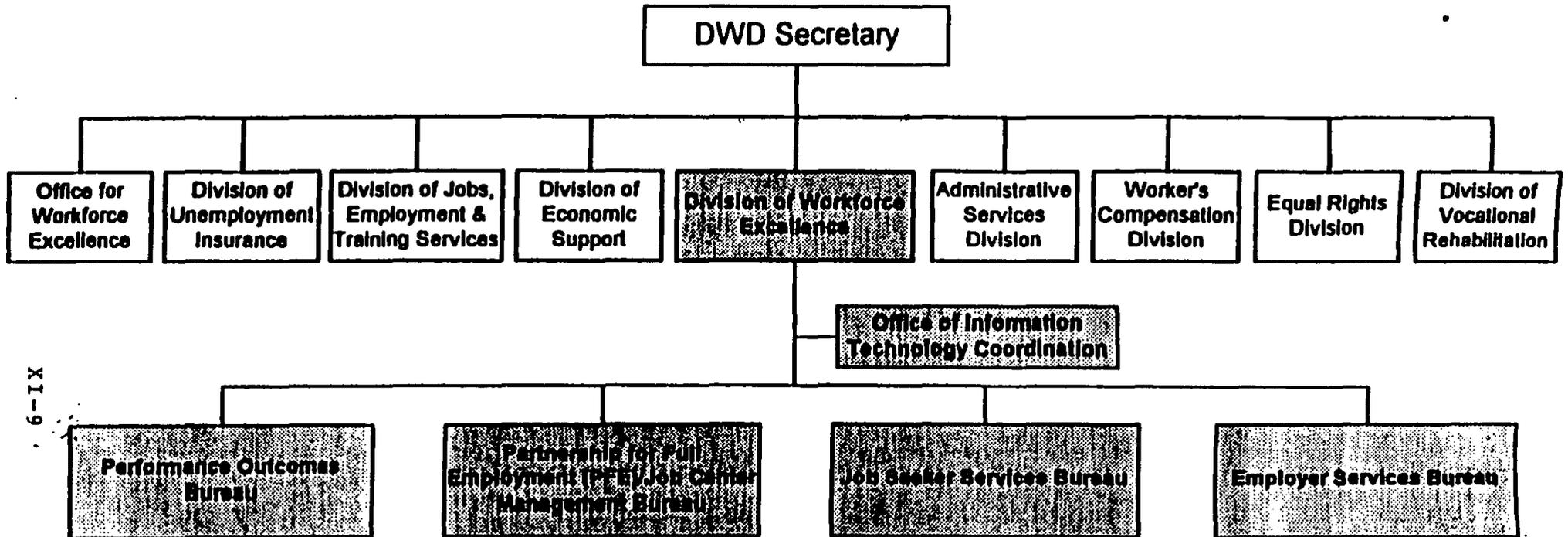
Interim and Final Products Oriented to Facilitating Implementation in Other Locations

The interim and final reports of the project will include measures of effectiveness of the program. In addition, the implementation process will be monitored, barriers will be identified, and results will be reviewed. The annual evaluation reports will be of interest to the federal government and to other states contemplating similar policy initiatives.

Training curriculum, brochures, manual or handbook documents, and other information vehicles will be produced to train workers and communicate the program's features to community leaders. These will be useful materials for federal government and other states' review.

In order to implement the W-2 demonstration, Wisconsin will modify its computerized grant and eligibility system to automate the W-2 functions. This system will be integrated with related systems (e.g., the statewide child support collection database) and will serve as a prototype for other states.

DEPARTMENT OF WORKFORCE DEVELOPMENT



* Temporarily assigned to Secretary's Office

** Temporarily assigned to ICS from Secretary's Office

DIVISION OF ECONOMIC SUPPORT

January 1995
Division Code: 600
Page 1

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Welfare Reform Init
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Admin Off 1
(87-18)

Deputy Administrator
John Bauer
(88-01)

Q1 Coordinator
Joanna Prange
Admin Assnt 9
(87-18)

Systems Coordinator
Paul Roman
Admin Off 2
(87-17)

Pat McDaniel
Admin Off 2
(87-17)

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CS Sup 2
(88-18)

Bureau of Child Support
Nrvy Southwick
CS Sup 2
(88-11)

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CS SA Sup 3
(88-17)

Bureau of Employment and Trng Operations
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CS Sup 1
(88-14)

Q188 Project
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Data Systems Adm
(88-01)

Office of Inspector General
Croy Welch
CS Sup 2
(88-17)

Wisconsin CARES Proj
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Data Systems Adm
(88-01)

Bureau of Management and Operations
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CS Sup 3
(88-11)

Deputy Director
John Tumbo
CS Sup 1
(88-18)

Deputy Director
Kathie McIlwain
CS Sup 1
(88-18)

Quality Assurance Field Operations

Technical & Mgmt Consult Services to Counties

Q188 Project

Welfare Fraud Coordination

CARES Project

Administrative Support

Planning Project Team

Accounting

Quality Control for MI

Contract Adm for MI, CS, Food & JBS

Q188 Project

Policy & Legislative Analysis

CARES Project

Affirmative Action/Civil Rights

Welfare Reform Initiatives Evaluations

Collection Reports

Quality Plan & Evaluation

Food Stamp Management and Evaluation

Q188 Project

Investigation

CARES Project

State & Federal Grants and Management

Policy Analysis and Developmental Teams

Policy Development and Equity Services

Corrective Action for AFDC, FS and MI

Child Support Adm Review

Q188 Project

Computer Matching

CARES Project

Benefits/Accounting

Administrative Rules

Interpretation of Fed Law/Reg

Quality Assessment

Job Opportunity & Skills

Q188 Project

Collection

CARES Project

Benefits Distribution & Mail Services

Program Implement Team

Policy Interpretation and Implementation

Quality Control for MI

Food Stamp, Employment & Training

Q188 Project

Computer Matching

CARES Project

Budget Adm, Contracting & Info System Unit

Policy Interpret Review

System Security

Quality Control for MI

System Development

Q188 Project

Collection

CARES Project

Economic Support Adm

Research & Statistics

Policy Analysis/Interpretation

Quality Control for MI

System Problem Resolution

Q188 Project

Collection

CARES Project

Financial Management

Statistical Analysis

System Problem Analysis/Res

Quality Control for MI

Conversion Coordination

Q188 Project

Collection

CARES Project

Energy, Poverty and Budget Services

Research Studies

Program Assistance

Quality Control for MI

Client Complaints

Q188 Project

Collection

CARES Project

Energy Assistance Program (EITAP)

Mail Systems

Hard Processing

Quality Control for MI

Technical Assistance

Q188 Project

Collection

CARES Project

Training

Statistical Analysis

Hard Processing

Quality Control for MI

Technical Assistance

Q188 Project

Collection

CARES Project

Community Training

Statistical Analysis

Hard Processing

Quality Control for MI

Technical Assistance

Q188 Project

Collection

CARES Project

Consolidated Contracts

O I - I X

APPROVAL: [Signature] JAN 1995
OFFICE OF THE SECRETARY

TOTAL POSITIONS: 308
Tribal Affairs
Tribal Relations

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4/22/96

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ESM 2

Deputy Director
John W. Tushy
ESM 1

Legislative Liaison
Dianne Reynolds, PPA 6

Admin Rules Mgr.
Vacant, AA 3

Support Staff
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Vacant, PA2
Linda Sweet, PA2
Sandra Parr, CA2

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Project Planning &
Development Section
Ann Steil, ESS 2

Research & Statistics Section
Ingrid Redke
Res Analyst 8, Supv.

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Lois Stitt, Contract Employee
Katy Drinkwine-WNW AO1
Pierce County
Roger Knutz-WNW AO1
Fond du Lac Co.

Mary Jo Larson, PA2
Lynn Schmin, PPA3

Vacant, PA2

II-IX

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Policy Analysis Team
Vacant
ESS 1

Employment
Transition Team
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Employment Support
Team
Joy Hein, PPA6 Supv

Economic Support
Team
Bob Korb, RA7 Supv.

Work/Child Support
Team, RA7 Supv
Bob Cadigan

Program Support
Team
Tom Meier, AO1

Program
Administration
Team, PPA6 Supv
Peter VanHous

Blume	ESQA	Keop	PPA5
Ashmore	ESQA	Lockyear	PPA3
Utsuki	ESQA	LePillhigh	PPA3
Westfall	ESQA	Vannat	PPA3
Palm	AA3	Horziger	PPA3
Covey	AA3	Davenport	PPA3
McMahon	AA4	Manguba	PPA3
Mason	AA4	Rynn	PPA3
Meier	AA4	Treman	PPA3
Pope	PA2	Conroy	PA2
Erdahl	CA2	AO1 on loan to OCC	

Serban	PPA5	Stricker	PPA5
Rayston	AA3	Lindmann	PPA3
Larson	PPA3	Van Em	PPA3
Richards	PPA3	Her	PPA3
Frohfeld	PPA3	Hannan	PPA3
Helm	PPA3	Peters	PPA3
Tondryk	PPA3	Vacant	PPA3
Buhr	AA3	Berlin	PPA4
Whitehorse	PPA2	Poma	AA3
Roberts	PPA4	Rusch	PA2
McAloon	PPA4	AO1 on loan to OCC	

Sord	RA6	Klein	RA6
Mason	RA6	Weldel	RA6
Bramington	RA3	Ovies	RA3
Dorchester	RA4	Schoer	RA3
Lee	RA4	Rovos	RA4
Stuber	RA4	Rodriguez	RA4
Mack	RA4	Horton	RA4
Vacant-LTE	RA4	Harmonstrom	MIS3
Vacant-LTE	RA4	Negel	RT3

Pleaser	MIS3	Berlin	PPA3
Walbridge	MIS3	Bowers	PPA3
Williams	MIS3	Bates	PPA3
Sandholm	MIS4	Oechling	AA3
Wildman/	DTLHR	Vacant	PPA4
Rusch	-IPA	Williamson	DTLHR
			-IPA