

CHILDREN AND FAMILIES --
DEPARTMENTWIDE,
CHILD SUPPORT,
ECONOMIC SUPPORT AND CHILD CARE

30

Omnibus Funding Motion

[LFB Papers #180, #181, #210 through #212, and #195 through #205]

Motion:

Move to adopt the following provisions regarding departmentwide programs, the child support program, and the economic support and child care programs under the bill:

Departmentwide

1. *Program and Federal Revenue Reestimates.* Adopt Alternative 1 in LFB Paper #180, which reduces funding by \$2,566,800 (-\$2,409,600 FED and -\$157,200 PR) in 2013-14 and by \$2,914,800 (-\$2,751,800 FED and -\$163,000 PR) in 2014-15 to reflect revised estimates of federal and program revenues to reflect the impact of the federal Budget Control Act sequestration reductions.

2. *Position and Funding Realignment.* Adopt the modification in LFB Paper #181, which reduces positions by 0.08 FED FTE and increases positions by 0.08 PR FTE, as well as assigns 0.50 GPR FTE position authority to the correct appropriation, to correct position authority inaccuracies under the bill.

3. *Office of Inspector General.* Require DCF to create an Office of Inspector General (OIG) to conduct fraud prevention, program integrity, and audit activities for all programs administered by DCF, including the Bureau of Milwaukee Child Welfare. Require current DCF positions whose primary responsibility is associated with fraud prevention, program integrity, or audit activities, which would be identified in DCF's plan described below, be assigned to the OIG once the OIG has been implemented.

Require the DCF Secretary to appoint an inspector general and require the inspector general to report directly to the Secretary.

Provide \$145,000 GPR and \$48,300 FED in 2013-14 and \$193,300 GPR and \$64,400 FED in 2014-15, and 2.25 GPR positions and 0.75 FED positions, beginning in 2013-14, for the following positions: (a) 1.0 senior auditor; (b) 1.0 auditor; and (c) 1.0 senior collections specialist.

Place the GPR funding for the new 2.25 GPR positions (\$145,000 GPR in 2013-14 and \$193,300 GPR in 2014-15) in the Joint Committee on Finance's general purpose revenue funds general program supplementation appropriation.

Require DCF to request the GPR funds placed in the Committee's appropriation and submit a plan to the Committee by January 1, 2014, under a 14-day passive review process that details how the Department will reorganize, including before and after organization charts, and consolidate positions and funding in order to create the OIG. Require DCF to include in the plan a list of DCF's current positions that would be included in the OIG, along with the funding amount, fund source, and DCF program associated with each position. Require the plan to specify how the OIG will interact with program staff to report, investigate, respond to, and prevent fraud in DCF programs. Require the plan to include a timeline of when the changes would be implemented. Require the plan to specify new appropriations from which only the costs associated with the OIG would be funded. Authorize implementation of the OIG and release of the GPR funding for the new 2.25 GPR positions only upon approval of the plan by the Committee.

In preparing its plan to create an OIG, require DCF to consult with the Department of Health Services (DHS) regarding the best practices of creating and implementing an OIG, including how DCF could structure the office to ensure that the program integrity positions are involved and updated on program changes.

Child Support

1. *Child Support State Operations.* Adopt the modification in LFB Paper #210, which reflects more recent revenue and expenditure estimates and corrects errors in the Chapter 20 schedule of appropriations under the bill for state administration of the child support enforcement program. Funding would be reduced by \$380,400 (-\$353,500 FED and -\$26,900 PR) in 2013-14 and increased by \$3,123,900 (\$2,743,700 FED and \$380,200 PR) in 2014-15.

2. *Interest on Child Support Arrears.* Adopt Alternative A1 in LFB Paper #211, which approves the Governor's proposal to conduct a pilot project that modifies the interest that accrues on child support arrears to 0.5% per month, rather than the 1.0% under current law. In addition, adopt Alternative C2, which requires the interest rate to revert back to 1.0% per month at the end of the pilot project unless DCF submits to the Committee a request to extend the interest rate approved for the pilot project under a 14-day passive review process. If a request is submitted, the request must include information showing the amount of the reduction in arrears owed and the increase in the number of and the dollar amount of payments towards arrears due to the lower interest rate. DCF would be authorized to continue using the lower interest rate (0.5% per month) beyond June 30, 2015, if the Committee approves the request.

3. *Funding for Local Child Support Enforcement Activities.* Adopt Alternative 2 in LFB Paper #212, which provides an additional \$4,250,000 GPR and \$8,250,000 FED annually for local child support enforcement activities. Funding would total \$37.7 million (\$8.5 million GPR, \$16.5 million in federal matching funds, and \$12.7 million in federal incentive payments).

Economic Support and Child Care

1. *Revised Estimates for TANF-Related Programs.* Adopt the modification in LFB Paper #195 to reflect reestimates for 2013-15, including: (a) reduced funding for child care state administration and licensing (-\$521,600 FED in 2013-14 and -\$506,200 FED in 2014-15); (b) reduced funding for the kinship care program (-\$487,100 FED annually); and (c) reduced funding for state administration of public assistance programs (-\$78,500 FED annually). The reestimates also include additional revenues from carryover funds (\$3,005,500 FED in 2013-14 and \$5,327,800 FED in 2014-15), the TANF block grant (\$244,900 FED annually), and the child care development block grant (\$990,200 FED in 2013-14 and \$432,600 FED in 2014-15).

2. *Wisconsin Works (W-2) Benefits.* Adopt Alternative A2 in LFB Paper #196, which provides an additional \$9,882,500 FED in 2013-14 and \$8,402,000 FED in 2014-15 for W-2 benefits. W-2 benefits funding would total \$82,014,000 in 2013-14 and \$72,696,000 in 2014-15. In addition, adopt Alternative B1, which adopts the Governor's proposal to have DCF, or an entity contracting with DCF, make W-2 benefits payments for W-2 participants in subsidized employment positions, caretaker of newborn infant grants, and at-risk pregnant women grants. Finally, it should be noted that DCF would be required to submit a plan to the Joint Committee on Finance under a 14-day passive review process before implementing an electronic benefit transfer system for W-2 benefits, as described in paragraph #7 below.

3. *Trial Employment Match Program (TEMP) Jobs.* Adopt Alternative 1 in LFB Paper #197, which approves the Governor's proposal to replace the trial jobs employment position under the W-2 program with the TEMP jobs employment position. This alternative also modifies the date on which the TEMP jobs would begin to January 1, 2014.

4. *Noncustodial Parents Under the W-2 Program.* Adopt Alternative 1 in LFB Paper #198, which approves the Governor's proposal to expand services to noncustodial parents under the W-2 program, beginning January 1, 2014.

5. *Transform Milwaukee Jobs Program.* Adopt Alternative 2 in LFB Paper #199, which adopts the Governor's proposal to establish the transform Milwaukee jobs program for low-income adults in Milwaukee County, but reduces funding for the Wisconsin Shares program by \$337,800 FED in 2013-14 and \$901,400 FED in 2014-15 to reflect that fewer participants would seek child care than anticipated under the bill.

6. *Child Care Provider Reimbursement Rates.* Adopt Alternatives A1 and B1 in LFB Paper #200, which approves the Governor's proposal to eliminate the requirement that a market rate survey be done and requires DCF to set child care payment rates without specifying an area in which to calculate the rates in order to give DCF flexibility in determining how the maximum payment rates are set. In addition, reduce funding by \$1,238,700 FED in 2013-14 and increase funding by \$2,478,900 FED in 2014-15 to reflect DCF's estimates of the costs to fund direct child care subsidies under the Department's plan to eliminate differences greater than 25% between its most recent rate survey rates and current county licensed group and family maximum payment rates

during 2013-14 and to eliminate differences greater than 20%, beginning in 2014-15.

7. *Electronic Benefit Transfer (EBT) System.* Modify the Governor's proposal to implement an EBT system for W-2 and Wisconsin Shares by placing \$300,000 FED in 2013-14 and \$2,000,000 FED in 2014-15 in the Committee's federal funds general program supplementation appropriation and by requiring DCF to submit a plan for implementation of an EBT system for W-2 benefits and for Wisconsin Shares subsidies under a 14-day passive review process before DCF could access these funds for that purpose. Require the plan to include specifics on the vendor selected, total start-up and ongoing costs, and how issues of fraud and program integrity will be addressed. In addition, modify section 938 of the bill to change "reimbursement" to "payment."

8. *Child Care Quality Rating and Improvement System.* Adopt Alternatives A1 and B1 under LFB Paper #202, which approves the Governor's proposal to modify the tiered reimbursement system under YoungStar to provide four-star providers up to a 10% increase from the base reimbursement rate, beginning January 1, 2014, and reduces funding for the contract with the Consortium based on actual expenditures from January, 2011, through May, 2012.

9. *Fingerprint-Based Background Searches of Child Care Providers.* Adopt Alternative 1 in LFB Paper #203, which approves the Governor's proposal to require fingerprint-based background searches of all child care providers, as well as their employees, nonclient residents, and other caregivers. The alternative would also modify the bill to authorize DCF to charge a fee for obtaining and submitting fingerprints for the fingerprint-based background searches. In addition, adopt Alternative 4, which makes name-based background checks for child care providers an annual requirement, rather than be required every three months.

10. *TANF Program Reduction Options.* Adopt Alternatives A3, B1, C1, and D1 in LFB Paper # 204, which provides base funding for the children first program (Alternative B1) and for child welfare prevention services (Alternative C1), modifies the Governor's proposal to increase funding for the Boys and Girls Clubs by reducing funding for the Wisconsin After 3:00 program by \$800,000 FED annually (Alternative A3), and adopts the Governor's recommended increase for emergency assistance (Alternative D1). In addition, provide one-time funding of \$215,000 FED in 2013-14 for the Green Bay Boys and Girls Clubs for the BE GREAT: Graduate program. Finally, provide one-time funding of \$25,000 FED in 2013-14 for the greater Wisconsin Rapids Area Boys and Girls Club to fund the Cranberry Science, Technology, Engineering, and Mathematics (STEM) program.

11. *TANF Funds for the Earned Income Tax Credit.* Reduce the level of TANF funding for the earned income tax credit (EITC) by \$8,164,200 FED annually. Total TANF funding for the EITC would be \$62,500,000 annually. In addition, increase GPR funding for the EITC by \$8,164,200 annually.

12. *Wisconsin Community Services.* Provide a grant of \$400,000 FED annually in TANF funds for the Wisconsin Community Services' community building workshop facilitator training to provide services targeted at TANF-eligible individuals in the City of Milwaukee.

Note:

The fiscal changes to the bill are shown in the table below:

Motion Change to AB 40

<u>Paper</u>	<u>Item</u>	<u>2013-14 Funding</u>	<u>2014-15 Funding</u>	<u>2013-14 Positions</u>	<u>2014-15 Positions</u>	<u>Source</u>
180	PR and FED Reestimates	-\$2,409,600	-\$2,751,800	0.00	0.00	FED
180	PR and FED Reestimates	-157,200	-163,000	0.00	0.00	PR
181	Position Realignment	0	0	-0.08	-0.08	FED
181	Position Realignment	0	0	0.08	0.08	PR
None	Office of Inspector General	145,000	193,300	2.25	2.25	GPR
None	Office of Inspector General	48,300	64,400	0.75	0.75	FED
210	Child Support State Operations	-26,900	380,200	0.00	0.00	PR
210	Child Support State Operations	-353,500	2,743,700	0.00	0.00	FED
212	Local Child Support Enforcement	4,250,000	4,250,000	0.00	0.00	GPR
212	Local Child Support Enforcement	8,250,000	8,250,000	0.00	0.00	FED
195	TANF State Administration	-600,100	-584,700	0.00	0.00	FED
195	Kinship care	-487,100	-487,100	0.00	0.00	FED
196	W-2 Cash Assistance	9,882,500	8,402,000	0.00	0.00	FED
199	Transform Milwaukee	-337,800	-901,400	0.00	0.00	FED
200	Child Care Provider Rates	-1,238,700	2,478,900	0.00	0.00	FED
204	Boys and Girls Clubs	-560,000	-800,000	0.00	0.00	FED
205	Earned Income Tax Credit	-8,164,200	-8,164,200	0.00	0.00	FED
205	Earned Income Tax Credit	-8,164,200	-8,164,200	0.00	0.00	PR
205	Earned Income Tax Credit	8,164,200	8,164,200	0.00	0.00	GPR
None	Wisconsin Community Services	<u>400,000</u>	<u>400,000</u>	<u>0.00</u>	<u>0.00</u>	FED
Totals		\$12,559,200	\$12,607,500	2.25	2.25	GPR
		4,429,800	8,649,800	0.67	0.67	FED
		-8,348,300	-7,947,000	0.08	0.08	PR

The estimated TANF balance would be \$5.9 million at the end of the 2013-15 biennium, compared to \$0.2 million under AB 40. However, ongoing expenditures exceed ongoing revenues, which creates a structural deficit of \$39.9 million, compared to \$40.3 million under the original bill.

[Change to Bill: \$25,166,700 GPR, \$13,079,600 FED, -\$16,295,300 PR, 2.25 GPR FTE, 0.67 FED FTE, and 0.08 PR FTE]

