

CHILDREN AND FAMILIES -- ECONOMIC SUPPORT AND CHILD CARE

Temporary Assistance for Needy Families
Omnibus Funding Motion
[LFB Papers #210 through #218]

Motion:

Move to adopt the following provisions regarding the programs related to the temporary assistance for needy families (TANF) in the Department of Children and Families (DCF) under the bill:

1. *Reestimate of TANF-Related Programs.* Adopt the modifications in LFB Paper #210 to reflect reestimates for 2011-13, including: (a) decrease estimated revenue from the TANF block grant by \$441,600 FED in 2011-12 and \$883,200 FED in 2012-13; (b) decrease estimated revenue from the child care development block grant (CCDBG) by \$4,378,500 FED annually; (c) increase estimated revenues from child support collections by \$1,070,400 PR in 2011-12 and \$741,200 PR in 2012-13; (d) decrease estimated revenues from child care provider licensing fees by \$300,000 PR annually; (e) reduce TANF expenditure authority by \$770,400 FED in 2011-12 and \$441,200 FED to account for the increased program revenue; (f) increase funding for direct child care subsidies by \$7,684,700 FED in 2011-12 and \$9,297,700 FED in 2012-13; and (g) reduce TANF expenditure authority by \$10,493,000 FED in 2011-12 and by \$207,500 FED in 2012-13 to eliminate excess expenditure authority under the bill. In addition, modify the statutory allocation for child care state administration and licensing to \$20,721,800 in 2011-12 and \$20,803,500 in 2012-13 and the statutory allocation for state administration of public assistance programs to \$11,700,700 annually.

2. *Wisconsin Works (W-2) Agency Contracts.* Adopt Alternatives A2 and C3 in LFB Paper #211, which would modify the Governor's recommendation: (a) to reduce W-2 benefits funding by \$2,945,500 FED in 2011-12 and to increase funding by \$14,683,100 FED in 2012-13 based on average caseload and benefit amounts from January, 2010, through April, 2011; and (b) to reduce funding for local administration of W-2 by \$1,723,600 FED in 2011-12 and by \$1,009,900 FED in 2012-13, based on average expenditures from January, 2011, through March, 2011. In addition, reduce funding for W-2 services by \$7,617,000 FED in 2011-12 and increase funding for W-2 services by \$1,592,300 FED in 2012-13.

3. *W-2 Benefit Reduction.* Adopt Alternative A3 in LFB Paper #212, which would reduce the monthly grant for community service jobs, transitional jobs, and technical college placements by \$20 per month, beginning October 1, 2011, but reestimate the Governor's proposal to provide an additional \$1,080,100 FED in 2011-12 and \$213,600 FED in 2012-13 for W-2 benefits. In addition, adopt Alternative D1 in LFB Paper #212 to reduce the hourly sanction for a W-2

participant who fails to participate in a required W-2 activity from \$5.15 to \$5.00 to reflect the hourly wage amount under the new grant amount.

4. *W-2 Time Limits.* Adopt Alternatives A1 and B2 in LFB Paper, #213, which would adopt the Governor's recommendation to impose a 24-month time limit on the amount of time an individual may participate in each of the subsidized employment positions under W-2 and to reinstate the three- and six-month limitations on specific employment placements, effective January 1, 2012, but modify the Governor's proposal for limits on work hours and education and training hours to put a maximum limit of 10 hours per week on education and training activities for community service jobs and a maximum of 12 hours per week on education and training activities for transitional placements, effective October 1, 2011. As under current law, there would still be a maximum of 40 hours per week for all work and education and training activities.

5. *W-2 Sanctions.* Adopt Alternatives A1, B1, and C1 in LFB Paper #214, which would adopt the Governor's proposals, effective October 1, 2011, to eliminate: (a) the requirement that an oral explanation be provided to W-2 participants before a W-2 agency can take any action against an individual that would result in a 20% or more reduction to the individual's benefits or in termination of the individual's eligibility to participate in W-2; (b) the requirement that a W-2 agency, before a W-2 agency determines that a W-2 participant is ineligible to participate in W-2 because that individual demonstrated a refusal to participate, must determine whether the failure to participate is because the individual refused or was unable, ensure that the services offered were appropriate, and whether good cause existed for the failure to participate; and (c) the conciliation period for compliance after a determination of refusal to participate before a sanction could be imposed.

6. *Transitional Jobs Demonstration Project.* Adopt Alternative 2 in LFB Paper #215, which would provide \$12,000,000 FED to allow the transitional jobs demonstration project to continue until June 30, 2012. In addition, require that any "host site" that employs a transitional jobs demonstration project participant be a for-profit business.

7. *Direct Child Care Subsidies.* Modify the Governor's proposal to authorize DCF to implement cost saving measures in Wisconsin Shares, the state's child care subsidy program, as follows: (a) require W-2 participants be exempt from any waiting list that DCF implements; and (b) require DCF to submit a report to the Joint Committee on Finance with the plan DCF has prepared to implement these cost saving measures. The cost saving measures include implementing a waiting list, as well as modifying: (a) copayments; (b) child care provider reimbursement rates; and (c) income eligibility limits.

8. *YoungStar.* Adopt Alternatives A1, B1, B2, and E1 from LFB Paper #217. These alternatives would adopt the Governor's proposal for a tiered rate reimbursement system under YoungStar with the following modifications: (a) increase funding by \$3,500,000 FED in 2011-12 and reduce funding by \$1,300,000 FED in 2012-13 to reflect an effective date of July 1, 2012; (b) prohibit DCF from providing reimbursements under Wisconsin Shares to one-star providers; (c) specify that three-star child care providers may be paid "up to" the maximum reimbursement rate,

rather than at the maximum reimbursement rate; and (d) under the severity index tool, prohibit child care providers from receiving payment if they receive a low quality rating, rather than prohibiting them from providing services to individuals in Wisconsin Shares. In addition, provide \$1,700,000 FED in 2012-13 to increase the maximum reimbursement rate by up to 25% for a child care provider who receives a five-star rating, beginning January 1, 2013. Finally, require that a child care provider accredited from the Council on Accreditation be automatically assigned a four-star or five-star rating, as appropriate, under YoungStar.

9. *TANF Program Reduction Options.* Adopt Alternatives A1, B1, and E1 in LFB Paper #218, which would adopt the Governor's recommendation to provide base funding for: (a) the children first program; (b) child welfare prevention services; and (d) programs to improve child care quality and availability. In addition, Adopt Alternative C2 in LFB Paper #218, which would reduce funding by \$145,300 FED annually that had been double-counted in restoring furlough days. Also, adopt Alternative D2 in LFB Paper #218, which would transfer \$1,000,000 FED annually from DCF's economic support federal block grant administration appropriation to the Committee's federal funds general program supplementation appropriation and require DCF to submit a new automated attendance tracking system (AATS) plan under a 14-day passive review process to access these funds. However, require DCF to submit the AATS plan by January 1, 2012. Finally, adopt Alternative F2 in LFB Paper #218, which would allow DCF to retain accumulated random moment sampling variance funds in the amount of \$9,768,400.

10. *"Job-Ready" Category in W-2.* Reduce funding for W-2 benefits by \$1,600,000 FED in 2011-12 and \$3,200,000 FED in 2012-13 to reflect reinstatement of the "job-ready" case management services category in the W-2 program, beginning January 1, 2012. Modify current law to create a case management services placement that authorizes a W-2 agency to provide case management services, as defined under current law, to an individual who applies for a W-2 employment position in lieu of placing the individual in a trial job, community service job, or transitional placement if the W-2 agency determines all of the following: (a) the individual meets the W-2 eligibility requirements; (b) the individual is willing to work and has no barriers to employment that cannot be addressed with W-2 services; (c) the individual is job-ready, based on the individual's employment history or education; and (d) the most appropriate placement for the individual is in unsubsidized employment. In determining an appropriate placement for an applicant, require a W-2 agency to give priority to placement in unsubsidized employment and this new case management services placement over placements in trial jobs, community services jobs, and transitional placements. In addition, require a W-2 agency to review placement in the job-ready category every 30 days to determine whether the individual should be placed in a trial job, community service job, or transitional job if the individual is unsuccessful in finding unsubsidized employment after legitimate efforts to secure employment. Require DCF to promulgate rules that specify the criteria for this review process. Specify that placement in this job-ready category be included as a W-2 agency decision that may be petitioned for review. Finally, specify that for second custodial parents, they may be eligible for employment training and job search assistance services if the first custodial parent has been placed in an employment position or is receiving these case management services.

11. *Reduce Time Period for Receipt of a Caretaker of a Newborn Infant (CNI) Grant.* Reduce funding by \$268,500 FED in 2011-12 and \$537,100 FED in 2012-13 to reflect a reduction in the time period allowed for receipt of a CNI grant in the W-2 program from 12 weeks to eight weeks, beginning January 1, 2012. Savings for W-2 benefits would total \$672,300 FED in 2011-12 and \$1,344,600 FED in 2012-13. Costs for the Wisconsin Shares program due to a return to the workforce sooner are estimated at \$403,800 in 2011-12 and \$807,500 in 2012-13.

12. *Local Fraud Investigation Program.* Require DCF to establish, by rule, an incentive program that rewards county departments, W-2 agencies, and tribal governing bodies that administer Wisconsin Shares for identifying fraud in Wisconsin Shares. Specify that this incentive program would be funded from the direct child care subsidy allocation. Require the rules to specify that a county department, W-2 agency, or tribal governing body receive, for identifying fraudulent activity under Wisconsin Shares on the part of a child care provider, an amount equal to the average monthly subsidy payment per child during the prior fiscal year, multiplied by the number of children participating in Wisconsin Shares for whom the provider provides care, multiplied by 1.5 months. Specify that a county department, W-2 agency, or tribal governing body may use these payments for any TANF-related purpose. Require DCF to submit their plan for the local fraud investigation program to the Joint Committee on Finance for approval under a 14-day passive review process no later than January 1, 2012. This program would replace the current local fraud investigation program under section 49.197(2) of the Wisconsin statutes, which allows county departments, W-2 agencies, or tribal governing bodies to establish their own fraud programs and retain any amounts recovered.

13. *Prohibition on Benefiting from Marketing.* Prohibit a Wisconsin Shares recipient from benefiting from any marketing or promotional offerings made by a child care provider to attract clients or increase business. Specify that this provision would not apply to marketing or promotional offerings that directly benefit an eligible individual's child for whom the child care provider is providing child care services.

14. *Limits on Payment of Wisconsin Shares Subsidies.* Prohibit payment of child care subsidies for child care services that are provided for a child by a child care provider who is the parent of the child or who resides with the child. In addition, specify that if a child's parent is a child care provider, no payment under Wisconsin Shares may be used for child care services that are provided for the child by another child care provider who is not the child's parent unless the child's parent has applied for, and been granted, a waiver by a county department, agency, or DCF. Require DCF to promulgate rules that specify the circumstances, or standards for determining the circumstances, under which a waiver would be granted. Require DCF to submit the proposed rules to the legislative council staff no later than the first day of the fourth month beginning after the bill's general effective date.

15. *Fingerprinting in Wisconsin Shares.* Specify that DCF, a county department, a local child care administration agency, or school board require any person seeking a license to operate a child care center or certification as a child care provider to be fingerprinted on two fingerprint cards, each bearing a complete set of the person's fingerprints. Authorize the Department of Justice

to 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 arrests and convictions.

Note:

Compared to the bill, there are additional revenues of \$14.1 million in 2011-12 and \$0.2 million in 2012-13. Expenditures exceed those in the bill by \$9.0 million in 2011-12 and \$20.4 million in 2012-13. The TANF balance at the end of 2012-13 is estimated at \$6.4 million, compared to \$26.5 million under the bill.

[Change to Bill: \$19,347,200 FED and \$1,211,600 PR]

