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MODIFICATIONS TO WISCONSIN WORKS (W-2)

INTRODUCTION

The biennial state budget act (2001 Wisconsin Act 16), passed by the legislature and signed by Governor Scott McCallum on August 30, 2001, modifies Wisconsin Works (W-2), the state's public assistance program by establishing a domestic abuse screening element and making certain administrative changes.

DOMESTIC ABUSE SCREENING

Act 16 requires the Department of Workforce Development (DWD) to promulgate administrative rules for screening victims of domestic abuse and for training W-2 agency employees in domestic abuse issues. The rules must allow an individual to voluntarily and confidentially disclose that he or she is or has been a victim of domestic abuse or is at risk of further domestic abuse, and they must specifically describe what evidence is needed to prove these statements.

If a W-2 agency employee identifies an individual as a past or present domestic abuse victim or determines that the individual is at risk, the agency must provide the person information about community-based domestic abuse services, including the names of shelters or programs for battered individuals; medical services; sexual assault nurse examiners; domestic violence and sexual assault hotlines; legal and medical counseling and advocacy; mental health care; and support groups. Persons who voluntarily identify themselves to agency personnel as victims of domestic abuse or as being at risk of abuse are also entitled to the same information. The W-2 agency is required to provide the information in both oral and written format.

ADMINISTRATIVE CHANGES

Financial Aid Income Treatment. Act 16 excludes from income that is included in calculating gross income for purposes of determining eligibility for W-2 employment positions, job access loans, Wisconsin Shares child care subsidies, student financial aid received under any federal or state program, and any scholarship income used for tuition or books.

Employer-Sponsored Training. The new law recognizes employer-sponsored training as an allowable education and training activity for W-2 participants. Previously, DWD was required to include as allowable education and training activities GED courses, technical college courses, educational courses that provide an employment skill, "English as a second language" courses, and adult basic education courses that would facilitate obtaining employment.

Contingency Fund. State law requires that a portion of the funds earned by a W-2 agency under its contract be set aside for community reinvestment projects, as defined by DWD. Act

16 establishes a contingency fund, made up of any community reinvestment funding earned under W-2 contracts for 1997 through 1999 that has not been spent by December 31, 2001, from which the Joint Committee on Finance may supplement appropriations for cash benefits to W-2 participants. Deposits to the contingency fund are limited to a maximum of \$20.9 million. As passed by the legislature, the contingency fund was intended to cover W-2 cash benefits, child care subsidies, and kinship care benefits. A veto by Governor McCallum limited the uses of the fund to cash benefits.

Contracting Process. Beginning with the 2004-05 contract year, Act 16 permits DWD to award contracts for W-2 administration on either a competitive process or on the basis of “right of first selection”, under which a W-2 agency is awarded the contract if it has met DWD’s performance standards during the preceding contract period. (Previously, DWD was limited to awarding contracts only on the basis of right of first selection.) DWD is required to award these contracts on a competitive basis if DWD changes the geographical areas under which W-2 is administered.

Beginning with the 2002-03 contract, the act prohibits a W-2 contract from providing community reinvestment funds to a W-2 agency. In addition, it imposes sanctions on a W-2 agency if the agency submits unallowable expenses to DWD. The amount of the sanctions equals 50% of those unallowable expenses.

FURTHER INFORMATION

For more detailed information about W-2 and recent statutory modifications, contact the Department of Workforce Development, Division of Economic Support, (608) 266-3035. Copies of the 2001 Wisconsin Act 16 provisions relating to the program may be obtained from the Legislative Reference Bureau at (608) 266-0342 or through accessing Act 16 on the Internet at <http://www.legis.state.wi.us/2001/data/acts/01act16.pdf>.