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**State of Wisconsin  
Governor Scott Walker**

TO: **W-2 Agencies  
Training Staff**

FROM: Margaret McMahon, Director  
Bureau of Working Families  
Division of Family and Economic Security  
Department of Children and Families

**BWF OPERATIONS MEMO**

No: 16-20

DATE: November 17, 2016

|     |                                     |     |                                     |          |                            |
|-----|-------------------------------------|-----|-------------------------------------|----------|----------------------------|
| W-2 | <input checked="" type="checkbox"/> | EA  | <input checked="" type="checkbox"/> | CF       | <input type="checkbox"/>   |
| JAL | <input type="checkbox"/>            | RAP | <input type="checkbox"/>            | Other EP | <input type="checkbox"/> * |

**SUBJECT: *Wisconsin Works (W-2) Contractor Payment Structure for 2017 W-2 and Related Programs Contracts***

**CROSS REFERENCE:** Operations Memo 16-05, "W-2 Contractor Payment Structure 2013-2016 Contracts"

Operations Memo 13-46, "[CARES and Emergency Assistance Tracking System Updates for the 2014 Performance Outcome Payments](#)"

**EFFECTIVE DATE: JANUARY 1, 2017**

**PURPOSE**

The purpose of this memo is to provide a summary of the changes that have been made to the Wisconsin Works (W-2) Contractor Payment Structure for contract year 2017, including CARES changes.

**BACKGROUND**

Beginning in 2013, the Department of Children and Families (DCF) has been providing payments to W-2 Contractors for specific types of performance outcomes and incentives in the W-2 program. The three types of payments are monthly capitated payments, payments based on performance, and incentive payments.

## ***SUMMARY OF THE CHANGES TO THE PAYMENT STRUCTURE FOR 2017***

### **A. Changes to Current Payments**

#### **1. Monthly Capitated Payment**

The W-2 Contractors did not bid on capitation for 2017. The W-2 Contractor will receive a monthly capitated amount equal to 1/12<sup>th</sup> of 30% of their total maximum budget.

#### **2. Removal of Date of Change in Employment Hours or Wages**

In 2014, DCF introduced a new field named the Date of Change in Employment Hours or Wages (DOC) ([Operations Memo 13-46](#)). The W-2 Contractor could initiate a Performance Outcome Payment (POP) claim using the captured DOC entered on CARES Mainframe screen WPEH. Effective January 1, 2017, DCF will no longer use DOC for POP and will introduce a new field named the Claim Period Begin Date (CPBD). The removal of DOC will also apply to any POP claim initiated in 2017 that has a PEBD in 2016. The W-2 Contractor can choose any rolling 31 calendar day period within 180 days after the Primary Employment Begin Date (PEBD) to initiate a claim using the CPBD as entered on CARES screen WPOP.

There are two CARES updates associated with this change:

- 1) DCF has added a new field on WPOP where the W-2 Contractor can enter the CPBD. The CPBD entry will initiate a claim based on the CPBD. The process to initiate a claim based on PEBD has not changed.
- 2) WPEL will no longer display a row for the Date of Change.

#### **3. Partial Job Attainment POP**

Since its introduction in 2014, the Partial Job Attainment has required that both the average weekly hours of employment as entered on WPEH be sufficient to qualify for a 1/2 CSJ (e.g. 15-19 hours a week) and that the wages earned are between \$470 and \$869.99 over a 31 calendar day timeframe. In 2017, there will no longer be an hourly requirement for Partial Job Attainment.

In 2016, the Financial and Employment Planner (FEP) must have placed the participant in a 1/2 (CS2) or 1/3 (CS1) prorated Community Service Job within 31 days after the PEBD or DOC in order for the W-2 Contractor to receive a Partial Job Attainment payment. In 2017, the FEP must have placed the participant in a 1/2 (CS2), 1/3 (CS1), or 2/3 (CS3) prorated Community Service Job within 31 days after the PEBD or CPBD in order for the W-2 Contractor to receive a Partial Job Attainment payment.

#### **4. Long-Term Participant Job Attainment POP**

DCF has updated the Long-Term Participant Job Attainment requirements to allow for an individual to use at least 6 months of the 60-month state W-2 eligibility time limit in calendar year 2013, 2014, or 2015 (all unchanged), or at least 6 months of the 60-month state W-2 eligibility time limit in calendar year 2016 (update).

**B. New Incentive Payment****1. Vocational Training and Educational Attainment Incentive Payments**

DCF will pay a one-time monthly payment to each participant that achieves the educational attainment of a High School diploma or equivalent. DCF will pay a quarterly payment for each month a W-2 Contractor assigns a participant to Technical College (TC) or Job Skills (JS) training and the participant counts in the All Families Work Participation Rate numerator. In addition to a payment for the assignment of the TC or JS activities, DCF will pay an additional incentive payment if the participant completes TC or JS training.

The W-2 Contractor must only enter the CARES work programs activity completion code of <A- Successfully Completed> if the participant has completed the entire Job Skills, Vocational Training, or Educational Attainment program. Improper entry of the <A- Successfully Completed> work programs code will issue an erroneous payment that DCF will take back.

**C. New Program Outcome Payments****1. Wisconsin Works Transition (W-2 T) All Families Work Participation Rate Numerator POP**

DCF will pay a monthly performance outcome payment for each W-2 T participant in the All Families Work Participation Rate numerator.

**2. Two-Parent Work Participation Rate Numerator POP**

DCF will pay a monthly performance outcome payment based on each two-parent household that is in the Two-Parent Work Participation Rate numerator.

**D. New Performance Outcome Payment Process Changes****1. CMC Placements that Return to Work**

DCF has allowed a new employment sequence entry when a CMC participant returns to work. In 2016, DCF required that after April 1, 2015, CMC participants must return to work no later than the 57<sup>th</sup> day and on the 57<sup>th</sup> day, the placement must be a CMF. In 2017, DCF will allow a new employment sequence entry if a CMC participant returns to work within 7-calendar days after the CMC placement ends. Day 1 of the 7-calendar days is the first day following the end of the CMC placement. The placement must be a CMF upon return to work.

**2. New Employment Sequence for Temporary Employments**

DCF will allow the W-2 Contractor to enter a new employment sequence for temporary employment if there has been a 90-calendar day or greater gap between active assignments.

**3. Claim Initiation Requirements**

In 2016, if a W-2 case is a one or two-parent household, the individual or one of the parents was required to be open in a W-2 placement on the claim initiation date and if there was a placement one day prior to PEBD, that placement was part of the same episode as the placement on the claim initiation date. In 2017, DCF is eliminating these claim initiation requirements.

### **AGENCY ACTION**

W-2 agencies are to use the attached document to familiarize staff with the changes to the payment structure and the related CARES changes.

### **ATTACHMENTS**

[W-2 Contractor Payment Structure for Contract Year 2017](#)

### **CONTACTS**

For W-2 Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For W-2 Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For W-2 CARES Processing Questions: W-2 Help Desk

For Performance Outcome Payment Questions: Jason Bergh

DCF/DFES/BWF/JB