

AFDC Overview

Aid to Families with Dependent Children (AFDC) was Wisconsin's cash assistance program prior to 1997. In September 1997, Wisconsin Works (W-2) replaced AFDC. The chart below highlights the primary differences between AFDC and W-2.

AFDC	W-2
Non-financial Eligibility	
<p>AFDC was limited to parent(s) or caretakers with children deprived of the support of one or both of their parents due to death, divorce, separation, or continued absence.</p> <p>Two parent households could be eligible if one of the parents was physically or mentally unable to provide parental care or support to their children; or a parent who was the designated primary wage earner for the family was unemployed, or working less than 100 hours a month.</p> <p>Additional eligibility requirements included:</p> <ul style="list-style-type: none"> • Citizenship; • Legal alien status; • Cooperation with child support; • Wisconsin residency; and • Providing social security numbers for family members. 	<p>W-2 replaced the AFDC program in September 1997 and offers job placement assistance to parents with dependent children, including non-custodial parents and two-parent households.</p> <p>Other eligibility requirements include:</p> <ul style="list-style-type: none"> • Wisconsin residency; • Citizenship or qualified legal alien status; • Cooperation with the child support agency; and • Providing social security numbers for family members.
Financial Eligibility	
<p>Income and asset eligibility was tested for families that passed the non-financial eligibility requirements. The family income could not exceed 185% of the AFDC Assistance Standard of need (based on family size) in order to proceed to the next step, which considered certain income deductions, and then compared any budgetable income to a family allowance to determine the AFDC grant amount. In addition, the family assets could not exceed \$1000 in available assets,</p>	<p>A less complicated financial eligibility test requires that the family's gross income must be at or below 115% of the Federal Poverty Level (FPL). A family is permitted to have \$2500 in available assets, excluding vehicle equity of \$10,000 and homestead property.</p>

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Cash Benefits	
<p>The AFDC cash benefit amount was based on family size and counted other income the family received against the family allowance. AFDC was considered an entitlement program which meant that applicants who met the specified eligibility criteria were guaranteed program benefits.</p>	<p>There are four paid placements within the W-2 program: Community Service Job (CSJ), W-2 Transition (W-2 T), Custodial Parent of an Infant (CMC), and At-Risk Pregnancy (ARP). Each paid placement has a set grant amount that is not based on family size or the family's other income.</p>
Time Limits	
<p>Until October 1996 AFDC did not impose time limits on receipt of benefits. Beginning in October 1996, AFDC recipients who were required to participate in employment and training programs were limited to 60 months of AFDC eligibility.</p> <p>AFDC participation counted toward the 60-month state lifetime limit if the individual was:</p> <ul style="list-style-type: none"> • Included in the SFU in an open AFDC assistance group (includes sanctioned adults); • Age 18 or older; • Coded with a JOBS registration code of mandatory (M), voluntary (V), or PFR Demonstration with a code of (P) or (R); and • Enrolled in JOBS under experimental or non-experimental PFP, WNW, Experimental or Control PFR. 	<p>W-2 has a lifetime eligibility limit of 60 months. Participation in the work components of Trial Employment Match Program (TEMP) jobs, CSJ, or W-2 T is limited to 24 months each. In limited circumstances extensions may be granted, with State approval for someone who has extreme barriers to becoming employed, or if local labor market conditions prevent an individual from finding employment. (See 2.10.6)</p>
Other Services	
<p>Individuals eligible for AFDC also received Medicaid coverage. They may also have qualified for food stamps, emergency AFDC, low-income heating assistance, and child care assistance.</p>	<p>All of these supportive services continue to exist under W-2, and in addition there are:</p> <ul style="list-style-type: none"> • Job Access Loans to help eligible individuals meet expenses related

	<p>to obtaining or maintaining employment. These are short-term loans that must be repaid in cash, or through a combination of cash and volunteer services. (See 17.1)</p> <ul style="list-style-type: none"> • Transportation assistance is available to help W-2 participants get to and from work, child care and school. (See 19.2.1) • Emergency Assistance for individuals experiencing an emergency due to fire, flood or natural disaster, impending homelessness, homelessness, or energy crisis. (See EA Manual)
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Child Care	
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<p>Several different types of child care assistance were available to AFDC recipients who utilized certified or licensed child care. If AFDC closed due to employment, a family was entitled to 12 months of transitional child care assistance.</p> <p>After the entitlement ended, the recipient could still qualify for child care assistance, but depending on the availability of funds, may have to wait for payment assistance.</p>	<p>Under W-2, child care is available to all low-income families (at or below 185% of FPL for applicants and up to 200% of FPL for participants) who need child care in order to work, participate in Learnfare, or participate in a W-2 employment position. Parents at all income levels (with some limited exceptions) are expected to share the cost of child care expenses through a co-payment to the child care provider. See the Wisconsin Shares Child Care Subsidy Policy Manual for more details.</p>
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Administration/Case Management	
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<p>AFDC was managed by the Wisconsin Department of Health and Family Services. The state entered into contracts for the administration of AFDC with county/tribal agencies.</p> <p>Economic support and employment and training services were not integrated, resulting in the family having to go to different locations in order to complete the necessary appointments and meetings to maintain their eligibility. In addition to the economic support specialist, a family could have a number of</p>	<p>The W-2 program is administered by the Department of Children and Families (DCF). The State contracts out the administration of W-2 at the local level to 8 private contractors.</p> <p>The participant should be able to access all of the W-2 and supportive services they need at one location. If a family is eligible for W-2, they will work with one Financial and Employment Planner (FEP) who will assist them in all aspects of achieving self-sufficiency. Not only will the FEP determine eligibility for W-2 and related</p>
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<p>caseworkers within the same agency, e.g., Learnfare case manager.</p>	<p>supportive services, but also define work options and provide intensive case management service for the family.</p>
<p>Administrative Reviews</p>	
<p>AFDC applicants or participants could request an administrative review by the Department of Health and Social Services (DHSS) through the fair hearing process when a person was dissatisfied with a negative action taken by the county. This could be a reduction or, termination or denial of benefits. In cases of reduction or termination of benefits, continuation of the benefits pending the hearing decision could be ordered by the State.</p>	<p>Participants or applicants may request the W-2 agency to review a denial, reduction or cancellation of benefits. This is called a Fact Finding Review. (See 12.2.1) The W-2 agency is required to render a decision in a timely manner, but benefits do not continue while the review is pending.</p> <p>The Department of Administration, Division of Hearings and Appeals (DHA) may review the decision if either the participant or the W-2 Agency petitions DHA within 21 days of the W-2 agency decision. (See 12.3.1) If DHA reverses a W-2 agency decision, benefits can be restored to the date of the participant's initial loss of benefits.</p>
<p>Kinship Care</p>	
<p>The AFDC-NLRR (Non-Legally Responsible Relative) program allowed caretakers of children for whom they were not legally responsible to care for, to receive an AFDC payment to provide care for the minor dependent relative.</p> <p>There was no assessment to determine why the child was not being cared for by their parent or legal guardian, or if the living arrangement was an appropriate placement for the child.</p>	<p>Under W-2, the Kinship Care program helps support a child who lives outside of his or her home with the relative. DCF also administers the Kinship Care Program.</p> <p>The kinship payment of \$232.00 per month per child may be approved for a related caretaker if all eligibility criteria is met, and only if, through an established assessment procedure, the child's presence in the caretaker's home is determined to be an appropriate placement.</p>
<p>SSI Caretaker Supplement</p>	
<p>Under AFDC, Supplemental Security Income (SSI) recipients were not themselves eligible for AFDC but they could receive AFDC for their eligible dependent children.</p>	<p>Under W-2, the SSI Caretaker Supplement program was created to provide for eligible dependent children whose parent(s) receive SSI. The Department of Health Services administers the program. A</p>

	monthly cash benefit of \$250.00 is provided for the first eligible child living with his/her SSI parent, and \$150.00 for each additional eligible child.
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Child Support	
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<p>Child support was assigned to the State of Wisconsin, including arrearages. If current child support was collected, \$50.00 was passed through to the family and disregarded as income in the AFDC grant determination.</p>	<p>Under W-2, as a condition of eligibility, all parents in the W-2 Group are required by law to assign to the state all child support payments paid or accrued while the W-2 Group is in a W-2 T, CSJ; or CMC placement when the individual in a CMC placement previously received AFDC, W-2, or CTS payments.</p> <p>W-2 participants subject to assignment of child support receive 75% of current child support payments and receive either 75% or 100% of past-due (arrears) child support payments, depending on whether the payment is past-due from the period of W-2 participation or from a period when the W-2 participant was not receiving W-2.</p>
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Employment and Training	
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<p>The AFDC Pay For Performance demonstration required non-exempt AFDC recipients to participate in pre-approved employment or training activities each month, in order to receive an AFDC payment the following month. The only exemptions were:</p> <ul style="list-style-type: none"> • Under age 16 or 60 or older; • Adult caretaker on SSI; • NLRR not included in the AFDC assistance group; • Required to participate in Learnfare; • Case head minor; • A caretaker of a child under one; • Incapacitated for more than 30 days; • Needed in the home to care for a disabled family member; or 	<p>W-2 assumes that work is the best way for parents to support their families. Individuals who the agency determines are ready for work will be referred to unsubsidized employment, or assigned to a TEMP job to combine employment training with a job.</p> <p>CSJ activities (up to 30 hours of work and 10 hours of training) are available for individuals who need to practice the work habits and skills necessary to be hired by private business. W-2 T activities (up to 28 hours of work and 12 hours of training) are available for individuals unable to work in gainful employment due to extended incapacitation, the need to care for an ill W-2 group member, or other extenuating circumstances.</p>
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<ul style="list-style-type: none"> • Full-time VISTA volunteer 	<p>Education and training as a CSJ or W-2 T activity may include a course of study for granting of high school equivalency, technical college, English-as-a-Second Language, and education courses that provide employment skills. An adult caring for a child under 8 weeks is exempt from participation requirements.</p>
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Medicaid	
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<p>Families who were eligible for AFDC automatically received Medicaid coverage. Families receiving Medicaid were enrolled in HMOs according to the managed care expansion plan that has been in place. Families were not required to pay premiums in order to receive Medicaid, but some services required small co-payments.</p>	<p>Being enrolled in W-2 does not make a family automatically eligible for Medicaid.</p> <p>Some low income working families may be eligible for BadgerCare Plus or Medicaid. These programs determine financial eligibility by using the Federal Poverty Level, similar to W-2. Some services may require a small co-pay.</p>
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