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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: 17-23

DATE: December 20, 2017

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 2018 W-2 and Related Programs Contracts*

CROSS REFERENCE: [Operations Memo 16-20, "W-2 Contractor Payment Structure for 2017 W-2 and Related Programs Contracts"](#)
[Operations Memo 17-10, "Wisconsin Works \(W-2\) Contractor Vocational Training Incentive Payments"](#)

EFFECTIVE DATE: January 1, 2018

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 2018, 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 CHANGES TO THE 2018 PAYMENT STRUCTURE

A. CHANGES TO CURRENT PAYMENTS

1. Monthly Capitated Payment

The W-2 Contractors did not bid on capitation for 2018. The W-2 Contractor will receive a monthly capitated amount equal to 1/12th of 40% of their total maximum budget.

2. Long-Term Participant Job Attainment Performance Outcome Payment

The Long-Term Participant Job Attainment requirements allow an individual to use at least 6 months of the 60-month state W-2 eligibility time limit in calendar year 2013, 2014, 2015, or 2016 (all unchanged), or at least 6 months of the 60-month state W-2 eligibility time limit in calendar year 2017 (change).

3. Educational Attainment and Vocational Training Incentive

A new work programs completion code has been added on table TWCC, <V-Educational Attainment and Vocational Training Completion>, for the five activity codes listed below.

1. GE – Remedial Education: General Education Development
2. HE – Remedial Education: High School Equivalency Diploma
3. RS – Regular School (K-12)
4. JS – Job Skills Training
5. TC – Technical College

W-2 Contractors must use the <V-Educational Attainment and Vocational Training Completion> work programs completion code to be paid for the Educational Attainment and Vocational Training Incentive and the Vocational Training Completion Job Attainment (see below).

B. NEW INCENTIVE PAYMENT

1. W-2 Transition Participant Engagement Incentive Payments

DCF will pay a quarterly payment to a W-2 Contractor on a per participant basis for engaging W-2 Transition participants in a specific minimum number of allowable weekly activity hours.

See the [W-2 Transition Engagement Incentive Allowable Activities](#) attachment for a list of the allowable activities for this incentive.

C. NEW PERFORMANCE OUTCOME PAYMENTS

1. Vocational Training Completion Job Attainment

W-2 Contractors will earn a Vocational Training Completion Job Attainment if a participant who had completed vocational training obtains a job.

AGENCY ACTION

W-2 agencies must 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 2018](#)
[W-2 Transition Engagement Incentive Allowable Activities](#)

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