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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: 18-19
DATE: 12/18/2018**

W-2 ☒ **EA** ☐ **CF** ☐ **JAL** ☐

RAP ☐ **TMJ** ☐ **TJ** ☐ **Other EP**

**SUBJECT: *Wisconsin Works (W-2) Contractor Payment Structure for 2019 W-2
and Related Programs Contracts***

CROSS REFERENCE: [Operations Memo 17-23, "W-2 Contractor Payment Structure for 2018 W-2 and Related Programs Contracts"](#)
[Operations Memo 17-10, "Wisconsin Works \(W-2\) Contractor Vocational Training Incentive Payments"](#)

EFFECTIVE DATE: January 1, 2019

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 2019, 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 2019 Payment Structure

A. CHANGES TO CURRENT PAYMENTS

1. Monthly Capitated Payment

The W-2 Contractor will receive a monthly capitated amount equal to 1/12th of 50% of their total maximum budget.

2. Performance Outcome Payments

For 2018, DCF paid W-2 Contractors an agreed-upon amount for each performance outcome attained up to the maximum budget for that outcome. For 2019, DCF will pay W-2 Contractors an agreed-upon amount for each performance outcome up to the performance outcome payments maximum budget.

3. Long-Term Participant Job Attainment Performance Outcome Payment

The Long-Term Participant Job Attainment requirements 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, 2015, 2016, 2017 (all unchanged), or at least 6 months of the 60-month state W-2 eligibility time limit in calendar year 2018 (change).

4. Educational Attainment and Vocational Training Incentive

In 2017, DCF introduced a new incentive named the Educational Attainment and Vocational Training Incentive. For 2017 and 2018, W-2 Contractors received payments for this incentive based on data from Web Intelligence (WebI) reports. W-2 Contractors were not required to submit a verified claim for DCF to pay the W-2 Contractor for this incentive.

The four components of the incentive are:

- 1) Attainment of a High School Diploma or Equivalency in any placement except W-2 Transition (W-2 T).
- 2) Attainment of a High School Diploma or Equivalency in a W-2 T placement.
- 3) Attainment of a certificate, diploma, or degree as a result of the assigned Job Skills or Technical College activities.
- 4) Assignment of Job Skills or Technical College activities and in our All Families WPR Numerator.

For 2019, the first three components for this incentive will be paid based on CARES Mainframe system entry. The fourth component will continue to be paid based on data from WebI reports. W-2 Contractors are still not required to submit a verified claim for this component of the incentive.

W-2 Contractors must complete the Educational and Vocational activities with the <V-Educational Attainment and Vocational Training Completion> work programs completion code upon receiving confirmation that the activities were completed. The W-2 Contractor must wait until they have the supportive documentation scanned into the Electronic Case

File (ECF) using the document code POPD under the PIN to approve the claim in CARES. The deadline for initiating and approving claims for the three components for this incentive in CARES is by March 31 of the year following the 2019 calendar year educational attainment or vocational training completion date.

5. W-2 Transition Participant Engagement Incentive Payments

In 2018, DCF introduced a new incentive named the W-2 Transition (W-2 T) Participant Engagement Incentive. DCF paid the W-2 Contractor a monthly payment for meeting the W-2 T participant engagement activity completion benchmark steps. Benchmark steps equal the weekly average of activity hours completed by a W-2 T participant.

The attachment in Operations Memo 17-23, [W-2 Transition Engagement Incentive Allowable Activities](#), provided the list of allowable activities for this incentive for 2018. DCF has updated the list of allowable activities for 2019.

See the [W-2 Transition Engagement Incentive Allowable Activities](#) attachment for the updated list of the allowable activities for this incentive for 2019.

For 2019, DCF updated the W-2 Contractor Payment Structure language to provide clarification that W-2 Contractors will earn one payment per lifetime for each benchmark step a participant achieves.

6. Partial Job Attainment Performance Outcome Payment

Effective for contract year 2019, W-2 Contractors will no longer be able to initiate Partial Job Attainments. W-2 Contractors can continue to initiate Partial Job Attainments for contract year 2018 until March 31, 2019.

7. Vocational Training Completion Job Attainment Performance Outcome Payment

In 2018, DCF introduced a new performance outcome payment (POP) claim named the Vocational Training Completion Job Attainment. W-2 Contractors were unable to initiate a Vocational Training Completion Job Attainment using a Claim Period Begin Date (CPBD). For 2019, W-2 Contractors will be able to initiate a Vocational Training Completion Job Attainment using a CPBD or Primary Employment Begin Date (PEBD).

B. NEW INCENTIVE PAYMENTS

1. Customer Satisfaction Incentive Payment

DCF will pay a one-time annual payment to a W-2 Contractor that has a 70% positive satisfaction rating on one customer satisfaction question. The incentive-eligible question will be included as an additional question on the customer satisfaction survey sent to the W-2 Contractors on an annual basis.

2. Excess Claims Bonus Incentive Payment

DCF will pay the W-2 Contractor the claims price plus a supplemental incentive payment for each claim that exceeds the target quantity number of performance claims, up to the maximum W-2 Contractor allocation for this incentive. The POP claims eligible for the bonus payment are:

- 1) Job Attainment;
 - 2) Job Retention;
 - 3) Long-Term Participant Job Attainment;
 - 4) Vocational Training Completion Job Attainment; and
 - 5) SSI/SSDI Attainment.
3. W-2 Child Support Liaison Noncustodial Parent (NCP) Enrollment Incentive

DCF will pay a quarterly payment to the W-2 Contractor for each NCP a Child Support Liaison refers to a government funded employment program and the referral results in an NCP enrolling, for at least 30 days, in the employment program. The W-2 Contractor is eligible for one payment for each enrolled NCP per year.

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 2019](#)
[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