



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

FROM: Patara Horn, Director  
Bureau of Working Families  
Division of Family and Economic Security  
Department of Children and Families

<b>BWF OPERATIONS MEMO</b>					
<b>No:</b>	22-21				
<b>DATE:</b>	11/29/2022				
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<b>W-2</b>	<input checked="" type="checkbox"/>	<b>EA</b>	<input type="checkbox"/>	<b>CF</b>	<input type="checkbox"/>
<b>JAL</b>	<input type="checkbox"/>				
<b>RAP</b>	<input type="checkbox"/>	<b>TMJ</b>	<input type="checkbox"/>	<b>TJ</b>	<input type="checkbox"/>
<b>Other EP</b>	<input type="checkbox"/>				

**SUBJECT: *Wisconsin Works Contractor Payment Structure for 2023 Wisconsin Works and Related Programs Contracts***

**CROSS REFERENCE:** [BWF Operations Memo 21-25: W-2 Contractor Payment Structure for 2022 W-2 and Related Programs Contracts](#)

**EFFECTIVE DATE:** January 1, 2023

**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 2023.

**BACKGROUND**

Beginning in 2013, the Department of Children and Families (DCF) had been providing payments to W-2 Contractors for specific types of performance outcomes and incentives in the W-2 program. There were three types of payments: capitation payments, payments based on performance, and incentive payments. In recent years DCF has moved away from capitation payments to a cost reimbursement model. DCF continues to provide performance outcome and incentive payments.

**SUMMARY OF CHANGES TO THE 2023 PAYMENT STRUCTURE**

**A. CHANGES TO COST REIMBURSEMENT PAYMENTS**

1. The W-2 contractor will receive cost reimbursement of 50% of the agency's total maximum budget.

See Appendix E Section G: SPARC Codes for more detailed information on cost reimbursable expenses.

*B. NO CHANGES TO EXISTING PERFORMANCE PAYMENTS*

*C. CHANGES TO EXISTING INCENTIVE PAYMENTS*

*1. Satisfaction Survey*

DCF will send the Satisfaction Survey out four times per year. The survey will be sent out the first month of every quarter and the incentive payment will be processed the second month.

***AGENCY ACTION***

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

***ATTACHMENTS***

[W-2 Contractor Payment Structure for Contract Year 2023](#)

***CONTACTS***

For W-2 Policy Questions: [BWF Policy Question SharePoint](#)

For W-2 and WWP Functionality Questions: BWF Work Programs Help Desk  
[BWFworkprogramsHD@wisconsin.gov](mailto:BWFworkprogramsHD@wisconsin.gov)

For Performance Outcome Payment Questions: Lauren Frederick at  
[Lauren.Frederick@wisconsin.gov](mailto:Lauren.Frederick@wisconsin.gov)

DCF/DFES/BWF/LF