



State of Wisconsin  
2017 - 2018 LEGISLATURE

January 2018 Special Session

LRB-5544/1  
TJD/EAW/SWB:emw

## ENGROSSED ASSEMBLY BILL 6

February 16, 2018 - Printed by direction of SENATE CHIEF CLERK.

1     **AN ACT to renumber** 49.143 (3g) (a) 1., 2., 4., 5. and 6.; **to renumber and amend**  
2             49.143 (3) and 49.143 (3g) (a) 3.; **to consolidate, renumber and amend**  
3             49.143 (3g) (a) (intro.) and (b); **to amend** section 1m . 49.143 (3) (title); and **to**  
4             **create** 20.435 (4) (bt), 49.143 (3) (b), 49.79 (7r) and 49.79 (9) (f) of the statutes;  
5             **relating to:** payments based on performance for Wisconsin Works and  
6             FoodShare employment and training program contractors and making an  
7             appropriation.

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*Analysis by the Legislative Reference Bureau*

**Engrossment information:**

The text of Engrossed January 2018 Special Session Assembly Bill 6 consists of the following documents adopted in the assembly on February 15, 2018: the bill as affected by Assembly Amendment 1. The text also includes the February 16, 2018, chief clerk's correction to January 2018 Special Session Assembly Bill 6.

**Content of Engrossed January 2018 Special Session Assembly Bill 6:**

This bill requires the Department of Health Services to create and implement a payment system based on performance for entities that perform administrative functions for the FoodShare employment and training program, known as FSET. The bill specifies criteria for the performance outcomes on which the payment system must be based.

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Under current law, the Department of Children and Families is required to consider certain criteria for performance bonuses for Wisconsin Works agencies. This bill requires DCF to instead use those criteria for performance-based payments to Wisconsin Works agencies. The bill does not change the current prohibition for basing any performance bonus payments on caseload decreases, or reduced spending by the Wisconsin Works agency, that are not directly attributable to placement of participants in unsubsidized employment.

This bill requires DHS to establish and implement a pilot program to provide discounts to certain households that are eligible for FoodShare benefits with discounts on fresh produce and other healthy foods. Under the bill, DHS must seek proposals from entities to administer the healthy eating incentive pilot program through DHS's request-for-proposal procedures and according to criteria developed by DHS. DHS must then choose an applicant with which to contract and the chosen applicant must administer the program, including managing all financial transactions between and among participants, retailers, food manufacturers, and DHS and also establishing an adequate network of participating retailers to effectively conduct the program. In addition, under the bill, DHS is required to contract with an independent research entity to conduct a study of the program. DHS must identify a certain number of participants in the program to provide food purchase, nutritional, and health data to the research entity. The research entity must then analyze the efficacy of the pilot program in affecting food purchases and the health of participating families.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1g.** 20.005 (3) (schedule) of the statutes: at the appropriate place,  
2           insert the following amounts for the purposes indicated:

		<b>2017-18</b>		<b>2018-19</b>
<b>20.435 Health services, department of</b>				
(4)    MEDICAID SERVICES				
(bt)   Healthy eating incentive pilot				
program	GPR	C	425,000	-0-

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6  
7           **SECTION 1k.** 20.435 (4) (bt) of the statutes is created to read:

8           20.435 (4) (bt) *Healthy eating incentive pilot program.* As a continuing  
9           appropriation, the amounts in the schedule to contract with an entity to administer

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1 the healthy eating incentive program under s. 49.79 (7r). No moneys may be  
2 expended under this paragraph after December 31, 2019, except for moneys  
3 encumbered on or before that date.

4 **SECTION 1m .** 49.143 (3) (title) of the statutes is amended to read:

5 49.143 (3) (title) PERFORMANCE STANDARDS, PERFORMANCE-BASED PAYMENTS, AND  
6 BONUSES.

7 **SECTION 2.** 49.143 (3) of the statutes is renumbered 49.143 (3) (a) (intro.) and  
8 amended to read:

9 49.143 (3) (a) (intro.) The department shall establish performance standards  
10 for the administration of Wisconsin works Works. If a Wisconsin works Works  
11 agency does not meet the standards established under this subsection, the  
12 department may withhold or recover any or all payment from the Wisconsin works  
13 Works agency. Performance standards under this paragraph shall be based on all of  
14 the following criteria:

15 **SECTION 3.** 49.143 (3) (b) of the statutes is created to read:

16 49.143 (3) (b) The department shall create and implement a  
17 performance-based payment system for all contracts under this section based on the  
18 performance standards established under par. (a).

19 **SECTION 4.** 49.143 (3g) (a) (intro.) and (b) of the statutes are consolidated,  
20 renumbered 49.143 (3) (c) and amended to read:

21 49.143 (3) (c) The department shall base any performance bonus calculation  
22 that it makes for Wisconsin works Works agencies on ~~all of the following~~ performance  
23 criteria: ~~(b) established under par. (a).~~ The department may not base any  
24 performance bonus payments on caseload decreases, or reduced spending by the

1 Wisconsin ~~works~~ Works agency, that are not directly attributable to placement of  
2 participants in unsubsidized employment.

3 **SECTION 5.** 49.143 (3g) (a) 1., 2., 4., 5. and 6. of the statutes are renumbered  
4 49.143 (3) (a) 1., 2., 4., 5. and 6.

5 **SECTION 6.** 49.143 (3g) (a) 3. of the statutes is renumbered 49.143 (3) (a) 3. and  
6 amended to read:

7 49.143 (3) (a) 3. The job retention rate, as defined by the department, at  
8 periodic intervals after placement of former participants in Wisconsin ~~works~~ Works  
9 employment positions.

10 **SECTION 6p.** 49.79 (7r) of the statutes is created to read:

11 49.79 (7r) HEALTHY EATING INCENTIVE PILOT PROGRAM. (a) The department shall  
12 establish and implement a 10-month pilot program to provide 2,000 households that  
13 are eligible for food stamp program benefits in both urban and rural areas with  
14 discounts on fresh produce and other healthy foods at the point-of-sale at  
15 participating retailers.

16 (b) The department shall obtain and review proposals to administer the  
17 program under par. (a) in accordance with the department's request-for-proposal  
18 procedures and according to criteria developed by the department. After reviewing  
19 the applications submitted, the department shall select an applicant and enter into  
20 a contract with that applicant to administer the program under this subsection. In  
21 administering the program, the selected applicant shall do at least all of the  
22 following:

23 1. Manage all financial transactions between and among participants,  
24 retailers, food manufacturers, and the department.

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1           2. Establish an adequate network of participating retailers to effectively  
2           conduct the pilot.

3           (c) The department shall contract with an independent research entity to  
4           conduct a study of the program established under this subsection. The department  
5           shall identify a statistically significant number of participants in the pilot program  
6           to provide food purchase, nutritional, and health data to the independent research  
7           entity. The research entity shall analyze the efficacy of the pilot program in affecting  
8           food purchases and the health of participating families.

9           **SECTION 7.** 49.79 (9) (f) of the statutes is created to read:

10           49.79 (9) (f) 1. Subject to subd. 3., the department shall create and implement  
11           a payment system based on performance for entities described in par. (a) that  
12           perform administrative functions for the employment and training program under  
13           this subsection. The department shall establish performance outcomes for the  
14           payment system under this paragraph based on all of the following criteria:

15           a. The placement of participants of the employment and training program  
16           under this subsection into unsubsidized employment.

17           b. Whether the placement under subd. 1. a. is full time or part time.

18           c. The job retention rate, as defined by the department, at periodic intervals  
19           after placement of former participants in the employment and training program  
20           under this subsection.

21           d. Wages and benefits earned by former participants in the employment and  
22           training program under this subsection.

23           e. Appropriate implementation of the employment and training program under  
24           this subsection.

25           f. Customer satisfaction.

