

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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| <b>1. Type of Estimate and Analysis</b><br><input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected  | <b>2. Date</b><br>2/7/18                             |
| <b>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)</b><br>DCF 101, Wisconsin Works   |  |
| <b>4. Subject</b><br>Wisconsin Works Time Limits and Extensions  |  |
| <b>5. Fund Sources Affected</b><br><input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S   | <b>6. Chapter 20, Stats. Appropriations Affected</b> |
| <b>7. Fiscal Effect of Implementing the Rule</b><br><input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget   |  |
| <b>8. The Rule Will Impact the Following (Check All That Apply)</b><br><input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors<br><input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers<br><input type="checkbox"/> Small Businesses (if checked, complete Attachment A)  |  |
| <b>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).</b><br>\$NA  |  |
| <b>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?</b><br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |  |
| <b>11. Policy Problem Addressed by the Rule</b>  |  |
| <b>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.</b><br>W-2 agencies, Workforce Development Boards, Wisconsin Manufacturers and Commerce, Kids Forward, Legal Action of Wisconsin, Community Advocates, End Domestic Abuse Wisconsin, Survival Coalition of Wisconsin Disability Organizations, Wisconsin Community Action Program Association, Welfare Warriors, Pathfinders, Public Policy Committee of the Milwaukee Child Abuse Prevention Services Coalition, Wisconsin County Human Services Association, and the state agencies DHS, DWD, and DPI. |  |
| <b>13. Identify the Local Governmental Units that Participated in the Development of this EIA.</b>   |  |
| <b>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)</b>  |  |
| <b>15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule</b>   |  |
| <b>16. Long Range Implications of Implementing the Rule</b>  |  |
| <b>17. Compare With Approaches Being Used by Federal Government</b><br>Existing federal regulations establish a time limit for receiving TANF benefits but also grant states significant flexibility in creating time limit policies. 45 CFR 264.1 (a) prohibits states from using federal TANF funds to provide assistance to most families beyond 60 cumulative months. This federal regulation also allows states to set a time limit of less than 60   |  |

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months. 45 C.F.R. 260.31 defines ‘assistance’ as cash payments, vouchers, and other forms of benefits designed to meet a family’s ongoing basic needs (i.e., food, clothing, shelter, utilities, household goods, personal care items, and other general incidental expenses).

Under 45 CFR 264.1 (c), states may extend assistance to a limited number of families beyond the 60-month time limit, but this number cannot exceed 20 percent of the State's average monthly caseload. States may only extend assistance if families have experienced hardship, as defined by the State, or if the family includes someone who has been battered or subjected to extreme cruelty based on the fact that the individual has been subjected to any of the following:

- i. Physical acts that resulted in, or threatened to result in, physical injury to the individual.
- ii. Sexual abuse.
- iii. Sexual activity involving a dependent child.
- iv. Being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities.
- v. Threats of, or attempts at, physical or sexual abuse.
- vi. Mental abuse.
- vii. Neglect or deprivation of medical care.

45 CFR 264.1 (b), provides that only months of assistance that are paid (in whole or in part) with Federal TANF funds count towards the federal 60-month lifetime limit. In addition, States may not count toward the five-year federal limit any of the following:

- i. Any month of receipt of assistance by an individual who is not the head-of-household or married to the head-of-household.
- ii. Any month of receipt of assistance by an adult while living in Indian country (as defined in section 1151 of title 18, United States Code) or a Native Alaskan Village where at least 50 percent of the adults were not employed.
- iii. Any month for which an individual receives only noncash assistance.

If a state does not comply with the federal 60-month lifetime limit requirements, 45 CFR 264.2 provides that the State Family Assistance Grant (SFAG) will be reduced by 5 percent in the succeeding fiscal year. A state may avoid the penalty by demonstrating reasonable cause or correcting the violation under a corrective compliance plan. 45 CFR 264.3 (b) provides that a state may receive reasonable cause for failing to comply with the five-year limit on Federal assistance because it granted federally recognized good cause domestic violence waivers, within the meaning of 45 CFR 260.52 (c) and 45 CFR 260.55. The lower lifetime limit, maximum of 2 6-month extensions to the lifetime limit, and removal of local labor market conditions as an extension approval reason will each reduce the proportion of families beyond the federal 60-month lifetime limit therefore lowering the risk of a penalty.

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#### 18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

##### Illinois

Participation in Illinois’ TANF program is limited to a cumulative total of 60 months in a lifetime. The criteria for an exception to the 60-month lifetime limit on the receipt of TANF cash benefits, include any of the following:

- The client has an application for Supplemental Security Income (SSI) pending and the Department determines the client is probably eligible for SSI.
  - The client has a medical barrier that prevents the client from obtaining or retaining employment of at least 30 hours per week.
  - The client is in an approved education and training program that will be completed in 6 months or less after the client's 60th month.
  - The client is in an intensive service program to help overcome a barrier to work and the client's involvement in the program precludes the ability to obtain or retain employment of at least 30 hours per week.
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- The client has a severely disabled child approved for a waiver under the Home & Community Based Care Program.
- The client is the only adult in the assistance unit and is the primary caregiver for a child under age 18, or is the primary caregiver for his or her spouse and the demands of caregiving do not allow the caregiver to obtain or retain employment.

#### Iowa

Participation in Iowa's TANF program is limited to a cumulative total of 60 months in a lifetime. A family may receive TANF-funded assistance beyond the 60-month lifetime limit if the family qualifies for a hardship exemption. Iowa defines "Hardship" as a circumstance that prevents the family from being self-supporting, including any of the following:

- Domestic violence. "Domestic violence" means that the family includes someone who has been battered or subjected to extreme cruelty.
- Lack of employability.
- Lack of suitable childcare.
- Chronic or recurring medical conditions or mental health issues, or an accident or disease, when verified by a professional. The applicant or recipient must follow a treatment plan to address the condition or issue.
- Housing situations that make it difficult or impossible to work.
- Substance abuse issues. A family requesting a hardship exemption due to substance abuse shall be required to obtain clinical assessment and follow an intensive treatment plan.
- Having a child whose circumstances require the parent to be in the home.
- Other circumstances which prevent the family from being self-supporting.

There is no limit to the number of extensions that may be approved.

#### Minnesota

Participation in Minnesota's TANF program is limited to a cumulative total of 60 months in a lifetime. The criteria for an extension to the 60-month lifetime limit on the receipt of TANF cash benefits, include any of the following:

- Participants who are employed and are participating in work activities at least 30 hours per week or 55 hours per week for a two-parent family.
- Participants who have verification from their health care provider that the number of hours they may work is limited due to illness or disability may qualify for a hardship extension as long as they work at least the number of hours specified by the health care provider.
- Participants who are hard to employ, including all of the following:
  - o Persons who have conditions that limit their ability to obtain and retain employment, including developmental disability, mental illness, learning disability, and IQ below 80.
  - o Persons who are otherwise unemployable.
  - o Persons who have family violence waiver.
- Participants with an illness, injury, or incapacity that is expected to last more than 30 days that severely limits the participant's ability to obtain or maintain suitable employment. Also, participants who are needed to care for a person in their family who meets this criteria.

#### Michigan

Participation in Michigan's TANF program is limited to a cumulative total of 48 months in a lifetime. Michigan does not allow individuals to extend participation beyond the state lifetime benefit limit.

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19. Contact Name

20. Contact Phone Number

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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

NA

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

NA

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

NA

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5. Describe the Rule's Enforcement Provisions

NA

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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