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TO: **Income Maintenance Supervisors**
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Laura Saterfield
Child Care Section
Bureau of Workforce Investment
Division of Family Supports

| DWS OPERATIONS MEMO | | | | | |
|---------------------|--------------------------|-------|-------------------------------------|--------------------------|--------------------------|
| No: | 07-29 | | | | |
| DATE: | 06/21/2007 | | | | |
| FS | <input type="checkbox"/> | MA | <input type="checkbox"/> | SC | <input type="checkbox"/> |
| CTS | <input type="checkbox"/> | CC | <input checked="" type="checkbox"/> | W-2 | <input type="checkbox"/> |
| FSET | <input type="checkbox"/> | EA | <input type="checkbox"/> | CF | <input type="checkbox"/> |
| JAL | <input type="checkbox"/> | JC | <input type="checkbox"/> | RAP | <input type="checkbox"/> |
| WIA | <input type="checkbox"/> | Other | EP | <input type="checkbox"/> | * |
| PRIORITY: HIGH | | | | | |

SUBJECT: **New Child Care Eligibility Income Determination for Migrant Farmworkers**

CROSS REFERENCE: Child Care Manual, Chapter 2, Sections 2.3.2 Income

EFFECTIVE DATE: Immediately

PURPOSE:

The purpose of this memo is to inform W-2 and Child Care Administrative Agencies about changing the method of determining income eligibility for some parents who have met the migrant farmworker definition as described by United Migrant Opportunity Services (UMOS) in the DWD – UMOS Migrant Child Care contract. UMOS may refer these same migrant farmworker parents to W-2 and Child Care Administrative Agencies to apply for Wisconsin Shares (WI Shares).

This memo will discuss different case situations of migrant farmworker parents and will give instructions to both the local agencies and UMOS about referring and serving migrant farmworker parents and processing their applications.

As part of the referral process, UMOS will be responsible for informing the W-2 or Child Care Administrative Agencies, about whether or not specific parents have met the definition of migrant farmworker.

BACKGROUND:

Since 1986 the State of Wisconsin has been contracting with UMOS to provide child care funding and child care programs for migrant families on a state-wide basis. Beginning in 2006, funding for the DWD contract decreased significantly due to a legislative decision. Because the decrease in contract dollars did not lessen the number of migrant children needing child care, UMOS began referring migrant families to the W-2 and Child Care Administrative agencies to apply for Wisconsin Shares funding.

Some of the migrant families were determined to be over-income at the time of application or during an early period of employment and thus ineligible, because eligibility was based on their current and prospective monthly earnings. For many migrant farmworkers and their families, income is highest in the summer months, which is also the time when most of them will be applying for Wisconsin Shares.

Typically, migrant farmworker families rely on income earned during the 4 to 5 months period as the main source for supporting their households. For the rest of the year, they live off of their savings and unemployment benefits, if they qualify. The amount of hours worked are dependent on the availability of the crop, the number of workers contracted, and weather conditions such as drought or excessive rain. There are variations in the hours of employment too: In the beginning of the season, farmworkers can start working at 20 hours per week, increase to 40 and then to 60 hours per week during a peak period, and then go back to 40 hours until the end of the season when employers begins reducing hours and laying off workers.

The majority of migrant parents are low-income workers, when their income is averaged over a 12-month period. In tracking migrant families that UMOS has served over a four-year period, 54% of them earned less than \$15,000 a year.

POLICY CHANGE:Rationale

Many migrant families earn most of their annual wages during a four to five month period, require child care during that four to five month earning period, and have little access to other earning options during the 7 to 8 months of seasonal lay-off. Due to these circumstances, the past 12 months of earnings will be averaged and used to determine WI Shares eligibility for those migrant farmworker applicants who are only applying for WI Shares at local agencies. UMOS is also authorized to use the same income averaging method when determining WI Shares eligibility. This procedure is similar to the one used for both the Migrant Head Start Program and for WI Shares self employment income determination, which is based on the past year's earnings. Averaging this income will give a more accurate picture of the earnings of migrant farmworker parents when determining their eligibility for WI Shares.

New Policies

1. UMOS will be responsible for determining the migrant farmworker status of parents and will inform the local agency at the time of referral for WI Shares, whether or not specific parents meet the migrant definition.

It is likely that UMOS will be referring to local agencies other Spanish-speaking, low-income parents needing child care and other services but who do not meet the migrant farmworker definition. Those not meeting this definition must have their income calculated in the same way as other clients.

2. Local agencies, when processing WI Shares applications for migrant farmworker parents, must income average the migrant farmworker's past 12 months of income for those applicants who are only applying for WI Shares.

NOTE: Migrant farmworker families who are receiving Supplemental Security Income (SSI) and/or Social Security (SSA) must be referred to UMOS so that UMOS can process their WI Shares applications manually. The reason being is that SSI and SSA income are auto-updated in CARES, and any averaged SSI or SSA income will be over-ridden every time the auto-update occurs. UMOS will use the migrant farmworker families' past 12 months of averaged SSI and SSA income along with the averaged earned income when determining monthly eligibility.

3. Migrant farmworker families, who are applying for WI Shares at the local agency, and who are also receiving and/or or applying for programs such as FoodShare (FS) and Medical Assistance (MA), should continue to have their WI Shares eligibility determined using the existing income budgeting rules. That is, use current and prospective income. If at any time during the certification period, migrant farmworker parents lose income eligibility, the local agency should refer them to UMOS for a manual WI Shares eligibility determination. The families may still maintain FS and MA eligibility that the local agencies will manage.

4. One or both migrant farmworker parents, who are only applying for WI Shares, who have minimal or \$0 income last year, and who are contracted to work part-time or full-time this summer, should have their past 12 months of income averaged to determine current eligibility. The agency should budget \$0 or whatever income was earned in the past 12 months and not the current income. The theory being that over time, income averaging will even out; since next year, the agency will budget this year's income regardless of its fluctuations.

W-2 and Child Care Administrative Agencies should follow these instructions until they receive different ones from DWD. In the meantime, DWD is proposing a future change in the CARES system to allow local agencies to determine income eligibility based on averaging the past 12 months of income when migrant farmworkers apply for WI Shares and current and prospective income when the same migrant farmworkers are applying for FS and MA. Because of a federal requirement, income eligibility for FS and MA must be based on current earnings. Also, it is planned that UMOS will continue to process WI Shares applications manually and not through the CARES System. Other policies and procedures developed in 2006 by the Child Care Section for serving migrant farmworker families will be updated and sent out separately to W-2 and Child Care Administrative Agencies where migrant farmworkers are likely to reside or work.

PROCEDURES:

Summary:

UMOS will determine the migrant status of WI Shares applicants and will inform the local agencies of that determination at the time of referral. For migrant farmworkers only applying for Wisconsin Shares and not receiving and/or applying for other programs, local agencies will use an average of the past 12 months of income to determine eligibility.

For migrant farmworkers applying for WI Shares and receiving and/or applying for other income maintenance programs, such as FS, MA, or W-2, the local agency will use current and prospective income when determining WI Shares eligibility. At the time the migrant farmworker parents become ineligible due to excess income for WI Shares, the local agency will refer these parents to UMOS who will determine eligibility for WI Shares based on an average of the past 12 months of income.

Determining the Past 12 Months' Income Average

Verify and calculate income based on earnings from the past 12 months, rather than current and prospective earnings. The past 12 months is defined as the period beginning 12 months prior to the date of the migrant parent's application. It is not the calendar year period of January through December of the previous year.

Example: Two migrant farmworker parents are only applying for WI Shares for their two children on June 8, 2007. The worker counts the prior 12 month period beginning with the month of May 2007 and counts back 12 months to June 2006. Thus, all income received from June 1, 2006 through May 31, 2007 will be used to determine the 12 month income average. After verifying the earned and unearned income for each parent, the annual total income for both parents is \$12,590.00 in earned income and \$3,709.00 in unearned income. Divide the earned income by 12 to get the monthly earned income amount of \$1,049.17. Next, divide the unearned income amount by 12 to get the monthly unearned income amount of \$309.08. The family's total monthly income to be used to determine their eligibility is $\$1,049.17 + \$309.08 = \$1,358.25$.

The monthly income amount determined from the 12 month average must be compared to the income eligibility requirements and used to establish the co-payments.

Continue to verify monthly earned income through check stubs, pay envelopes, signed statements or contracts from the employer, IRS forms etc that indicate gross earnings and also other unearned income and the dates payments were received.

AUTHORIZATIONS:

For migrant farmworker parents who are only applying for WI Shares at the local agency and not receiving or applying for multiple programs, the local agency must use the past 12 months of averaged income when setting-up authorizations. Continue to use the past 12 months of averaged income if authorizations are adjusted due to an increase or decrease of child care hours needed because of the migrant farmworkers' changing work schedule. Migrant farmworkers will likely be working a variation of hours during the season. UMOS is responsible for doing the authorizations for migrant farmworkers who are WI Shares eligible and applying through UMOS. Those not meeting the migrant farmworker definition or those migrants who are receiving or have applied for multiple programs at the local agency must have their prospective income used in the eligibility determination in the same way as other clients.

REMINDER:

In addition, review BEM/DWS Operations Memo 05-42 about the changes in citizenship requirements that were effective July 27, 2005. To summarize: The parent is no longer required to be either a U.S. citizen or a qualified alien in order for the child care assistance group to be eligible for WI Shares. The children who will receive the child care benefit are required to be either a U.S. citizen or a qualified alien. Thus, parents, applying for WI Shares, do not need to provide social security numbers for themselves but only for their children or else be willing to apply for their children if they do not have them. Parents, applying for FS and/or MA, are required to be citizens and provide social security information for themselves and their children or be willing to apply for social security numbers.

Example: 1

The household consists of 2 parents, **P1 and P2**, and 3 children under age 6. The parents were referred to the local agency by UMOS who determined that they met the migrant farmworker definition. The parents have applied for WI Shares only on Apr 16-07 and do not intend to apply for FS or MA and are not receiving SSA or SSI. Both parents have jobs planting, shearing, and harvesting Christmas trees. Their contracts indicate a beginning date and a specific hourly or monthly wage for a specific time period. Both of their employment histories and incomes were verified for the period of Apr 1, 2006 through Mar 31, 2007. Their projected earnings for the summer and fall of 2007 given at the time of application were not considered in the calculations. Only the earnings from the previous 12 months were averaged to determine their monthly income.

P1 – Earned Income:

Apr 1-06 to Jul 30-06: Employed at a Christmas tree farm in Wisconsin. Gross income per week was \$235 or \$2,820 total:

| | |
|------|-----------------|
| Apr | \$470 – 2 weeks |
| May | \$940 |
| June | \$940 |
| Jul | \$470 - 2 weeks |

Aug 1-06 to Sep 30-06: Employed at a canning factory during peak season with overtime included. Gross income per week was \$510 or \$4,080 total:

| | |
|-----|---------|
| Aug | \$2,040 |
| Sep | \$2,040 |

Oct 1-06 to Nov 30-06: Employed at Christmas tree farm. Gross income per week was \$235 or \$1,880 total:

| | |
|-----|-------|
| Oct | \$940 |
| Nov | \$940 |

P1 – Unearned Income:

Dec 1-06 to March 31- 07: Unemployment Benefits. Gross Income per week was \$167 or \$2,672 total:

| | |
|-----|-------|
| Dec | \$668 |
| Jan | \$668 |
| Feb | \$668 |
| Mar | \$668 |

P1's total 12 months of income:

Total earned income = \$8,780.00/12 = \$731.67.

Total unearned income = \$2,672.00/12 = \$222.67.

The earned income of **P1** should be entered into Parent 1's Employment Information Page in CWW.

The unearned income of **P1** should be entered into Parent 1's Unearned Income Page in CWW.

Total Income: \$8,780.00 earned + \$2,672.00 unearned = \$11,452; average monthly income is \$954.34.

Example 1 continued:**P2 – Earned Income:**

Apr 1-06 to Jul 30-06: Employed at a Christmas tree farm in Wisconsin. Gross income per week was \$216 or \$2,592 total:

| | |
|------|---------------|
| Apr | \$432–2 weeks |
| May | \$864 |
| June | \$864 |
| Jul | \$432-2 weeks |

Aug 1-06 to Sep 30-06: Employed at a canning factory during peak season with overtime included. Gross income per week was \$468 or \$3,744 total:

| | |
|-----|---------|
| Aug | \$1,872 |
| Sep | \$1,872 |

Oct 1-06 to Nov 30-06: Employed at Christmas tree farm. Gross income per week was \$216 or \$1,728 total:

| | |
|-----|-------|
| Oct | \$864 |
| Nov | \$864 |

P2 – Unearned Income:

Dec 1-06 to March 31-07: Unemployment Benefits. Gross Income per week was \$137 or \$2,192 total:

| | |
|-----|-------|
| Dec | \$548 |
| Jan | \$548 |
| Feb | \$548 |
| Mar | \$548 |

P2's total 12 months of income:

Total earned income = \$8,064.00/12 = \$672.00.

Total unearned income = \$2,192.00/12 = \$182.66.

The earned income of P2 should be entered onto Parent 2 Employment Information page in CWW.

The unearned income of P2 should be entered into Parent 2 Unearned Income page in CWW.

Total income: \$8,064.00 earned + \$2,192.00 unearned = \$10,256; average monthly income is \$854.66.

P1 and P2's total combined income is \$21,708; average monthly income is \$1,809.

Example 2

This household consists of 2 parents, **P3** and **P4**, with 4 children under age 12. The parents are referred to the local agency by UMOS who determined that they meet the definition of migrant farmworkers. The parents are applying for WI Shares, FS, and MA. Both parents have jobs in agriculture starting out at 24 hours per week with contracts indicating a beginning date. Because these migrant parents are applying for multiple programs, their financial eligibility for WI Shares is determined by using their current income as described in the Child Care Manual. In six weeks the parents are determined to be over-income because of increased hours of work. At that time, the local agency referred them to UMOS who determined their WI Shares eligibility based on income averaging of the past 12 months of earnings. These parents continue to receive FS and MA as long as they are eligible; the local agency has informed them of the reporting requirements for both FS and MA.

Example 3

The household consists of 2 parents, **P5** and **P6**, with 3 children under age 12. Two of the children receive SSI. Both parents have jobs in agriculture starting out at 25 hours per week with contracts indicating a beginning date. UMOS determines that the family meets the migrant farmworker definition and manually determines their WI Share eligibility by doing income averaging of the past 12 months of their earned and unearned income. UMOS determines that the parents are not eligible based on the past year's total income which includes the SSI payments received.

CONTACTS:

BEM CARES Information and Problem Resolution Center

Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DWD/DWS/BDS/GB