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**State of Wisconsin  
Governor Scott Walker**

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

FROM: Janice Peters, Director  
Bureau of Working Families  
Division of Family and Economic Security

DFES OPERATIONS MEMO					
No:		11-27			
DATE:		JUNE 8, 2011			
FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>
CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input checked="" type="checkbox"/>	JC	<input type="checkbox"/>
RCA	<input type="checkbox"/>	RMA	<input type="checkbox"/>	Other	<input type="checkbox"/> *
				EP	
PRIORITY: HIGH					

SUBJECT: ***Modification to Job Access Loan (JAL) Policy***

**CROSS REFERENCE:** [W-2 Manual Chapter 13](#)  
[Administrator's Memos 10-08 Job Access Loan \(JAL\)](#)  
[Spending Targets](#)  
[Operations Memos 10-73 Job Access Loan \(JAL\) Funding](#)

**EFFECTIVE DATE:** July 1, 2011

**PURPOSE:**

This Operations Memo describes several policy changes related to Job Access Loans (JAL):

1. Clarifies the eligibility requirement that the applicant must either be employed and need a loan to continue employment or have bona fide job offer and need a JAL to obtain employment;
2. Adds an eligibility requirement that the applicant demonstrate an ability to repay the loan in cash through regular monthly payments;
3. Clarifies eligibility determination and application timeline;
4. Changes the length of the initial repayment plan from up to 18 months to up to 12 months;
5. Adds a requirement that agencies be able to process expedited JALs within two working days;
6. Clarifies when JALs can be used for housing assistance;

7. Removes the ability to get a JAL for Self-Employment/Entrepreneurship;
8. Adds a requirement to explain the default process to loan recipients repaying part of their loan through in-kind community service;
9. Allows agencies to add in-kind community service to renegotiated repayment plans as long as the loan recipient is not in default; and
10. Changes the timing of first JAL payment.

**BACKGROUND:**

JALs are short-term, interest-free loans that are intended to meet an immediate and discrete financial crisis for expenses that are related to obtaining or maintaining employment. In 2010, spending for JALs exceeded funding limits. Administrators Memos 10-07 and 10-08 established funding targets for all W-2 agencies and restricted eligibility for JALs to applicants who were not in a W-2 placement. In 2010 and 2011 the Job Access Loan workgroup met to discuss changes to the JAL policy to focus the limited funding on the most appropriate applicants. The workgroup's recommendations were taken into consideration when finalizing the policy changes outlined in this Operations Memo.

**POLICY CHANGE:**

Below is a summary of the policy changes that will be made to the W-2 Policy Manual, Chapter 13 Job Access Loans. The information below is laid out by Manual Section. Attached is a copy of Chapter 13 which tracks the changes made to the Chapter using strikeouts and underlines. These updates will be made in the next W-2 Policy Manual update.

**Section 13.2.1:**

- Clarifies that all applicants must either be employed and need a loan to continue employment or have bona fide job offer and need a JAL to obtain employment.
- Adds a requirement to the eligibility determination process that all applicants demonstrate an ability to repay the loan in cash through regular monthly payments.
- Clarifies that eligibility for JALs is subject to funding availability.
- Changes initial repayment from 18 months to 12 months.

**Section 13.2.2:**

- This is a new section.
- Outlines the process for determining eligibility for JALs.
- Defines application timeframe to 12 working days and requires local agencies to have procedures in place to process expedited applications within 2 working days.
- Describes the differences in the application process for applicants who are in a W-2 placement and for applicants who are not in a W-2 placement.

**Section 13.2.3:**

- This is a new section.
- Describes the new requirement to the eligibility determination process that all applicants demonstrate an ability to repay the loan in cash through regular monthly payments.

**Section 13.3.1:**

- Clarifies when JALs can be used for housing.
- Adds two examples related to JALs for housing costs.

**Section 13.3.3:**

- Deletes this section. JALs are no longer available for self-employment/Entrepreneurship.

**Section 13.4:**

- Original 13.4.1 Loan Application and Repayment Agreement section was deleted and folded into the newly created 13.2.2.
- Remaining sections renumbered.

**Section 13.5.1:**

- Deleted language stating that in-kind hours could not be added to repayment agreements that are renegotiated. Systems changes were made to allow in-kind hours to be added in subsequent loan negotiations as long as the loan is not in default.
- Updated language on when the first payment is due to reflect recent systems change. In the past, the timing of the first payment was tied to when the loan was issued. The process is now simplified so that regardless of when the loan is issued, the first payment is due on the 25<sup>th</sup> of the following month.

**Section 13.5.3:**

- Added language requiring FEPs to remind participants about how loans get into default.

**Section 13.5.5:**

- Clarifies the overdue payment procedure using more consistent language.

***ACTION REQUIRED:***

W-2 agencies must discuss this policy change with staff and update any relevant local agency procedures.

***CONTACTS***

For Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For CARES Processing Questions: W-2 Help Desk

\*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RCA – Refugee Cash Assistance Program, RMA - Refugee Medical Assistance Program, \*Other EP – Other Employment Programs.