B

Senator Burke

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Optional Wage-Paying Community Service Job

Motion:

Move to increase the monthly benefit amount for grant-paying CSJs from $555 to $673 and for transitional placements from $518 to $628. Establish an optional wage-paying CSJ placement and permit W-2 agencies to place individuals into wage-paying CSJs for up to 30 hours per week for the entire year, with an additional restriction that the total number of work hours for a year could not exceed 1,375. Specify that participants in wage-paying CSJs could claim the state earned income tax credit (EITC) but not the homestead credit. Provide $11 million in 1997-98 and $10 million in 1998-99 to create a reserve fund for Milwaukee County.

Provide that, if a W-2 agency chooses to place a participant into a wage-paying CSJ, the Department of Workforce Development (DWD) must transfer from the W-2 agency's allocation for W-2 benefits an amount determined by the Department of Revenue to be adequate to cover the cost of providing the state EITC to the participant. Create a program revenue appropriation for receipt of amounts transferred from DWD. Provide that these revenues would be used to fund the state EITC along with existing GPR funds.

Provide that if a W-2 agency places a participant into a wage-paying CSJ,the participant may participate in that particular placement for up to three months, with an opportunity for a one month extension under circumstances approved by DWD.

Require that if a W-2 agency places a participant into a wage-paying CSJ, the W-2 agency would be responsible for paying out of its current allocation the entire cost of the wage, the employer's share of payroll taxes and costs for unemployment compensation, if any.

Prohibit a W-2 agency from utilizing any organization as an employer for the purposes of providing a wage-paying CSJ except for: (a) the W-2 agency; (b) a nonprofit corporation; or (c) a cooperative.

Full-Time Wage-Paying CSJs. Specify that the effective date for full-time wage-paying CSJs (more than 20 hours per week on average) would be September 1, 1998, for two W-2 agencies in Milwaukee County that shall be selected by DWD based upon requests previously submitted by such agencies. Specify, that, after September 1, 1999, DWD may allow additional W-2 agencies to provide the wage-paying CSJ option based upon requests from W-2 agencies. Further, specify that by September 1, 1999, DWD would be required to report to the Committee

on the impact of the wage-paying CSJ option compared to CSJs that pay grants on W-2 spending and incentives to seek and hold private-sector jobs. Provide that, if approved by the Committee by January 1, 2000, the full-time wage-paying CSJ option would be expanded statewide. If the Committee does not approve the expansion, these provisions would sunset on September 1, 2001.

Part-Time Wage-Paying CSJs. Provide that all W-2 agencies could place individuals into part-time wage-paying CSJs (less than 20 hours per week) effective September 1, 1998. These provisions would sunset on September 1, 2001.

MO# 5067

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
2 COGGS	Y	N	A
1 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS ____

Senator George

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Pay Minimum Wage for CSJs and Transitional Placements

Motion:

Move to provide that CSJ and transitional placements be paid the minimum wage for each hour actually worked in the CSJ or transitional placement. Provide that these participants would be eligible for the state earned income tax credit (EITC) if the federal IRS determines that they would be eligible for the federal EITC. Provide $31.8 million in 1997-98 and $32.9 million in 1998-99 to W-2 agencies to cover the wages for participants and the employer's share of federal payroll taxes. Provide $8.4 million GPR and $8.1 million GPR to cover the cost of the state EITC.

Note:

Under current law, participants in CSJs will be required to participate in work activities for up to 30 hours per week, and engage in educational and training activities for up to 10 hours per week. CSJs will be paid a grant of $555 per month. Transitional placements are required to participate in work activities for up to 28 hours per week, and education and training activities for up to 12 hours per week. Participants in transitional placements will receive a grant of $518 per month.

This motion would provide CSJs and transitional placements with a minimum wage for each hour worked. Such participants could also engage in educational and training activities, but would not be paid for participation in these activities. The intent is that, by treating the cash benefit for these components as a wage rather than a public assistance grant, these participants would be subject to state and federal income and payroll taxes and would be eligible for the state and federal EITCs.

Based on correspondence with the federal Internal Revenue Service (IRS), and information regarding a similar program in Vermont, it appears that participants in wage-paying community service jobs would be eligible for the federal EITC. However, it is less likely that participants in transitional placements would be eligible for this federal credit. The state EITC is generally available to state residents who claim the federal EITC.

This motion would provide $31.8 million (all funds) in 1997-98 and $32.9 million in 1998-99 to W-2 agencies to pay for the participants' wages and the employer's share of federal payroll taxes. It is estimated this proposal would cost an additional $7.9 million GPR in 1997-98 and $8.1 million in 1998-99 for the state EITC.

[Change to Base: $16,000,000 GPR and $64,700,000 All Funds]
[Change to Bill: $16,000,000 GPR and $64,700,000 All Funds]

MO# 3212

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS ____

Representative Gard

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Optional Wage-Paying Community Service Job

Motion:

Move to establish an optional wage-paying CSJ placement and permit W-2 agencies to place individuals into wage-paying CSJs for up to 15 hours per week. Specify that participants in wage-paying CSJs could claim the state earned income tax credit (EITC) but not the homestead credit. Provide $11 million in 1997-98 and $10 million in 1998-99 to create a reserve fund for Milwaukee County.

Provide that, if a W-2 agency chooses to place a participant into a wage-paying CSJ, the Department of Workforce Development (DWD) must transfer from the W-2 agency's allocation for W-2 benefits an amount determined by the Department of Revenue to be adequate to cover the cost of providing the state EITC to the participant. Create a program revenue appropriation for receipt of amounts transferred from DWD. Provide that these revenues would be used to fund the state EITC along with existing GPR funds.

Provide that a W-2 agency may place an individual in a wage-paying CSJ only if the individual is working in an unsubsidized part-time job for more than 15 hours per week.

Provide that if a W-2 agency places a participant into a wage-paying CSJ, the participant may participate in that particular placement for up to three months, with an opportunity for a one month extension under circumstances approved by DWD.

Prohibit a W-2 agency from utilizing any organization as an employer for the purposes of providing a wage-paying CSJ except for a nonprofit organization, other than a government entity.

Specify that the effective date for the optional wage-paying CSJ provisions would be October 1, 1998, for two W-2 agencies in Milwaukee County that would be selected by DWD based upon requests previously submitted by such agencies. Specify that the wage-paying CSJ option will sunset on September 30, 2001.

Motion #5070

MO# 5070

JENSEN	Y	A
OURADA	Y	A
HARSDORF	Y	A
ALBERS	Y	A
GARD	Y	A
KAUFERT	Y	A
LINTON	Y	A
COGGS	Y	A
BURKE	Y	A
DECKER	Y	A
GEORGE	Y	A
JAUCH	Y	A
WINEKE	Y	A
SHIBILSKI	Y	A
COWLES	Y	A
PANZER	Y	A

AYE 13 NO 3 ABS

Alternative 2

Maintain the current benefit amounts for grant-paying CSJs and transitional placements. Establish a wage-paying CSJ placement and permit W-2 agencies to place individuals into wage-paying CSJs for up to 30 hours per week for the entire year. Three variations of this alternative are shown below:

a. Specify that participants in wage-paying CSJs would not qualify for the state EITC or the homestead tax credit, and provide no additional funding for W-2 agencies.

b. Provide $3.2 million GPR in 1997-98 and $2.7 million GPR in 1998-99, and permit participants in wage-paying CSJs to claim the state EITC but not the homestead credit.

Alternative 2b	GPR
1997-99 FUNDING (Change to Base)	$5,900,000
[Change to Bill	*$5,900,000]*

c. Provide $8.5 million GPR in 1997-98 and $7.0 million GPR in 1998-99, and permit participants in wage-paying CSJs to claim both the state EITC and homestead credit.

Alternative 2c	GPR
1997-99 FUNDING (Change to Base)	$15,500,000
[Change to Bill	*$15,500,000]*

Alternative 3

Increase the benefit amounts for grant-paying CSJs and transitional placements as recommended by the Governor. Establish a wage-paying CSJ placement and permit W-2 agencies to place individuals into wage-paying CSJs for up to 30 hours per week for the entire year. Six variations of this alternative are outlined below.

W-2 Agency Funding

a. Provide no additional funding for W-2 agencies.

b. Provide $13 million in 1997-98 and $12 million in 1998-99 to create a reserve fund in Milwaukee County to cover the increased grant amounts and employer reimbursements.

Alternative 3b	ALL FUNDS
1997-99 FUNDING (Change to Base)	$25,000,000
[Change to Bill	*$25,000,000]*

c. Provide $25.7 in 1997-98 and $26.8 in 1998-99 to increase funding amounts for all W-2 agencies to cover the costs of the higher grants and employer reimbursements.

Alternative 3c	ALL FUNDS
1997-99 FUNDING (Change to Base)	$52,500,000
[Change to Bill	*$52,500,000]*

EITC and Homestead

d. Provide $3.2 million GPR in 1997-98 and $2.7 million GPR in 1998-99 and permit participants in wage-paying CSJs to claim the state EITC but not the homestead credit.

Alternative 3d	GPR
1997-99 FUNDING (Change to Base)	$5,900,000
[Change to Bill	*$5,900,000]*

e. Provide $8.5 GPR in 1997-98 and $7.0 million GPR in 1998-99 and permit participants in wage-paying CSJs to claim both the state EITC and homestead credit.

Alternative 3e	GPR
1997-99 FUNDING (Change to Base)	$15,500,000
[Change to Bill	*$15,500,000]*

f. Modify the statutes to specify that participants in wage-paying CSJs would not be eligible for the state EITC and homestead tax credits.

Alternative 4

Maintain the current benefit amounts for grant-paying CSJs and transitional placements. Establish a wage-paying CSJ placement and permit W-2 agencies to place individuals into wage-paying CSJs for up to 30 hours per week for the entire year, with an additional restriction that the total number of work hours for a year could not exceed 1,200. Under this alternative, the cost of reimbursing CSJ employers for the participant's wages and the employer's share of payroll taxes would be approximately equal to the cost of providing the current $555 monthly grant. Three variations of this alternative are shown below:

a. Specify that participants in wage-paying CSJs would not qualify for the state EITC or the homestead tax credit, and provide no additional funding for W-2 agencies.

b. Provide $2.5 million GPR in 1997-98 and $2.1 million GPR in 1998-99, and permit participants in wage-paying CSJs to claim the state EITC but not the homestead credit.

Alternative 4b	GPR
1997-99 FUNDING (Change to Base)	$4,600,000
[Change to Bill	*$4,600,000]*

c. Provide $7.8 million GPR in 1997-98 and $6.4 million GPR in 1998-99, and permit participants in wage-paying CSJs to claim both the state EITC and homestead credit.

Alternative 4c	GPR
1997-99 FUNDING (Change to Base)	$14,200,000
[Change to Bill	*$14,200,000]*

Alternative 5

Increase the benefit amounts for grant-paying CSJs and transitional placements as recommended by the Governor. Establish a wage-paying CSJ placement and permit W-2 agencies to place individuals into wage-paying CSJs for up to 30 hours per week for the entire year, with an additional restriction that the total number of work hours for a year could not exceed 1,450. Under this alternative, the cost of reimbursing CSJ employers for the participant's wages and the employer's share of payroll taxes would be approximately equal to the cost of providing the $673 CSJ grant recommended by the Governor. Six variations of this alternative are shown below:

W-2 Agency Funding

a. Provide no additional funding for W-2 agencies.

b. Provide $11 million in 1997-98 and $10 million in 1998-99 to create a reserve fund in Milwaukee County.

Alternative 5b	ALL FUNDS
1997-99 FUNDING (Change to Base)	$21,000,000
[Change to Bill	*$21,000,000]*

c. Provide $22.0 million in 1997-98 and $23.7 million in 1998-99 to increase funding amounts for all W-2 agencies to cover the costs of the higher grants and employer reimbursements.

Alternative 5c	ALL FUNDS
1997-99 FUNDING (Change to Base)	$45,700,000
[Change to Bill	*$45,700,000]*

EITC and Homestead

d. Provide $3.0 million GPR in 1997-98 and $2.5 million GPR in 1998-99 and permit participants in wage-paying CSJs to claim the state EITC but not the homestead credit.

Alternative 5d	GPR
1997-99 FUNDING (Change to Base)	$5,500,000
[Change to Bill	*$5,500,000]*

e. Provide $8.3 million GPR in 1997-98 and $6.8 million GPR in 1998-99 and permit participants in wage-paying CSJs to claim both the state EITC and homestead credit.

Alternative 5e	GPR
1997-99 FUNDING (Change to Base)	$15,100,000
[Change to Bill	*$15,100,000]*

f. Modify the statutes to specify that participants in wage-paying CSJs would not be eligible for the state EITC and homestead credits.

Alternative 6

Maintain the current grant amounts for CSJs, transitional placements and custodial parents of infants. Maintain the current funding amounts for subsidized employment as provided in the W-2 agency contracts.

Alt #6 w/ motion 7047 (FAIL)

Representative Gard

WORKFORCE DEVELOPMENT

Education and Training for W-2 Participants

Motion:

Move to, in lieu of a grant increase, require W-2 agencies to provide $20 million in each year from their W-2 contract allocations for any of the following education and training activities:

1. Provide customized labor training program for W-2 recipients. Provide that the customized labor training could be used to satisfy the education and work requirements for community service jobs. Specify that the hours spent in customized labor training would first count towards the 10 hours per week of education and training under a CSJ and then would count against the 30 hours per week of work under a CSJ. Specify that customized labor training would involve training for a specific job, where an employer has guaranteed a job placement after successful completion of the training course.

2. Enhancement of the education and training components that are currently defined for the CSJ and transitional placement employment positions.

3. Job coaches and interpreters.

4. Services supporting alcohol and other drug abuse (AODA) treatment including child care, family counseling and in-home counseling.

Note:

Based on current caseload projections, it is estimated that the cost of providing benefits for the subsidized employment components of W-2 will be $114.7 million in 1997-98 and $130.5 million in 1998-99. It is anticipated that the contract amounts for W-2 agencies will include net funding of $155.4 million in 1997-98 and $158.7 million in 1998-99 for subsidized employment. The difference in the estimated cost of subsidized employment and the expected contract amounts is $40.7 million in 1997-98 and $28.2 million in 1998-99.

Under this motion, the W-2 agencies would be directed to provide additional education and training activities for W-2 participants out of their W-2 contract amounts. No additional funding would be provided for these activities.

Motion #7047

VOTE
OVER
7

MO# 9047 w/ AH #6 in paper 972

2 JENSEN	~~Y~~	N	A
OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
1 GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	Y	~~N~~	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	Y	~~N~~	A
COWLES	~~Y~~	N	A
PANZER	~~Y~~	N	A

AYE 8 NO 8 ABS ____

B. Pro-Rating CSJ Grants

1. If a wage-paying CSJ placement is not adopted, modify the statutes to specify that a W-2 agency could pay a prorated CSJ grant if the participant is assigned to fewer than 30 hours per week because he or she has an unsubsidized part-time job.

2. Maintain current law.

C. Use of Unexpended W-2 Agency Allocations

FAIL

1. Modify the statutes to prohibit DWD from expending any amount that is returned to the state as part of the allocation of unexpended W-2 agency funding. Require the Department to add such funds to the balance of unexpended TANF revenues that would be carried forward to the next fiscal year.

2. Maintain current law.

Default

Prepared by: Joanne Simpson and Rob Reinhardt

MO# Alt #C1

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	Y	~~N~~	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A
1 BURKE	~~Y~~	N	A
2 DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 8 NO 8 ABS____

MO# Alt #B1

JENSEN	~~Y~~	N	A
OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A
BURKE	~~Y~~	N	A
DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	~~Y~~	N	A
PANZER	~~Y~~	N	A

AYE 16 NO 0 ABS____

Representative Coggs

WORKFORCE DEVELOPMENT--ECONOMIC SUPPORT AND CHILD CARE

Custodial Parents of Infants

Motion:

Move to permit an eligible custodial parent of a child less than one year old to receive a community service job (CSJ) grant. Permit the recipient to participate in CSJ work activities, but prohibit the W-2 agency from requiring participation in work activities. Provide $9.7 million in 1997-98 and $11.7 million in 1998-99 to local W-2 agencies to account for increased benefit costs.

Note:

Under current law, an eligible custodial parent of a child that is 12 weeks old or less will be permitted to receive a grant of $555 per month (the same amount that is paid to CSJ participants). The W-2 agency may not require such individuals to participate in a W-2 employment position. This motion would increase the age of the child for this provision to one year, and allow the recipient to voluntarily participate in CSJ work activities. As under current law, receipt of a grant under this provision would generally not count toward the 24-month time limit for CSJ participation or the 60-month limit for participation in all W-2 employment positions.

Compared to current law, this motion would result in estimated increased benefit payments of $9.7 million in 1997-98 and $11.7 million in 1998-99. There would be offsetting savings for child care assistance of $17.6 million in the first year and $21.1 million in the second year.

If the CSJ grant is increased to $673 as recommended by the Governor, the cost for benefit savings would increase to $12.0 million in 1997-98 and $14.4 million in 1998-99. Child care savings would not be modified.

[Change to Base: ~~-$17,300,000 All Funds~~]
[Change to Bill: ~~-$17,300,000 All Funds~~]
-12,000,000 All Funds

MO# 5021

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 11 NO 0 ABS

Motion #5021

Representative Coggs

WORKFORCE DEVELOPMENT--ECONOMIC SUPPORT AND CHILD CARE

Custodial Parents of Infants

Motion:

Move to permit an eligible custodial parent of a child less than six months old to receive a community service job (CSJ) grant. Permit the recipient to participate in CSJ work activities, but prohibit the W-2 agency from requiring participation in work activities. Provide $3.5 million in 1997-98 and $4.2 million in 1998-99 to local W-2 agencies to account for increased benefit costs.

Note:

Under current law, an eligible custodial parent of a child that is 12 weeks old or less will be permitted to receive a grant of $555 per month (the same amount that is paid to CSJ participants). The W-2 agency may not require such individuals to participate in a W-2 employment position. This motion would increase the age of the child for this provision to six months, and allow the recipient to voluntarily participate in CSJ work activities. As under current law, receipt of a grant under this provision would generally not count toward the 24-month time limit for CSJ participation or the 60-month limit for participation in all W-2 employment positions.

Compared to current law, this motion would result in estimated increased benefit payments of $3.5 million in 1997-98 and $4.2 million in 1998-99. There would be offsetting savings for child care assistance of $6.1 million in the first year and $7.3 million in the second year.

If the CSJ grant is increased to $673 as recommended by the Governor, the cost for benefit payments under this motion would increase to $4.3 million in 1997-98 and $5.2 million in 1998-99. Child care savings would not be modified.

[Change to Base: -$5,700,000 All Funds]
[Change to Bill: -$5,700,000 All Funds]

MO# 1783

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	N	N	A
COGGS	N	N	A
BURKE	N	Y	A
DECKER	Y	N	A
GEORGE	N	N	A
JAUCH	N	N	A
WINEKE	N	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 12 NO 10 ABS

Motion #1783

ATTACHMENT

Disposable Income Under Optional Wage-Paying CSJ
One Parent with Two Children

	Current $555 Grant	Governor's $637 Grant	Wage-Paying CSJ Options 1 & 2 1560 hrs/yr	Wage-Paying CSJ Option 3 1200 hrs/yr	Wage-Paying CSJ Option 4 1450 hrs/yr
Annual Wage/Grant	$6,660	$8,076	$8,034	$6,180	$7,468
Payroll Taxes	0	0	-615	-473	-571
State and Federal Income Tax	0	0	0	0	0
Federal EITC	0	0	3,214	2,472	2,987
Food Stamps	3,225	2,588	2,607	3,409	2,862
Child Care Copay	-336	-336	-336	-336	-336
Disposable Income Before State Credits	$9,549	$10,328	$12,904	$11,252	$12,410
Difference from Current Law		779	3,355	1,703	2,861
State EITC	$0	$0	$450	$346	$418
Homestead	0	0	760	760	760
Disposable Income Including State Credits	$9,549	$10,328	$14,114	$12,358	$13,588
Difference from Current Law		779	4,565	2,809	4,039

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

SSI Administration and Benefits (DHFS -- Children and Family Services and Supportive Living)

[LFB Summary: Page 303, #6]

CURRENT LAW

The supplemental security income (SSI) program, authorized under Title XVI of the federal Social Security Act, provides cash benefits to low-income aged, blind and disabled individuals who meet certain financial and nonfinancial eligibility criteria. The SSI program is administered at the federal level by the Social Security Administration (SSA) which establishes uniform eligibility standards, federal benefit levels and program policies.

Most states, including Wisconsin, choose to supplement federal SSI payments with state-supported payments to SSI beneficiaries. In March, 1997, 106,783 Wisconsin residents received an average state supplemental SSI benefit of $95.53 per month.

Maintenance of Effort. Under federal law, states are required to maintain their efforts to provide supplemental SSI benefits in order to ensure that federal cost-of-living increases are passed through to recipients. Federal law allows states to meet their maintenance of effort (MOE) requirement in one of two ways. States can either:

- Maintain benefit levels equivalent to March 1983 levels, or
- Maintain a total annual expenditure level equal to the annual expenditure level of the prior twelve months.

Wisconsin meets its MOE requirement by maintaining a total annual expenditure level, which in calendar year 1995 was $128,113,400 GPR. When the state does not meet its MOE in

one calendar year, it is required to make up the difference in the following calendar year. In calendar year 1996, DHFS provided an additional $4,173,400 GPR as retroactive benefits, since the state did not meet its MOE level for calendar year 1995.

In order to meet total expenditures, DHFS must adjust benefit levels as the number of SSI beneficiaries changes. If DHFS adjusts benefit levels to meet the MOE requirement, it is required to submit a proposal to the Department of Administration (DOA) for approval. Upon approval by DOA, the proposal would be submitted to the Committee for approval, modification or disapproval. If within 14 days, the Committee has not scheduled a meeting on the proposal, the proposal is deemed approved. Following action by the Committee, the Governor has ten days to communicate approval or disapproval in writing. If no action is taken by the Governor, the decision of the Committee is deemed approved.

Families Receiving SSI and AFDC. Federal law prohibits an individual from receiving SSI benefits and aid to families with dependent children (AFDC) benefits concurrently. However, federal law does not prohibit an individual from receiving SSI benefits if he or she lives in a family in which other family members receive AFDC benefits. Approximately 5,500 Wisconsin families with 10,700 children received SSI benefits for at least one family member and AFDC benefits for another family member.

Administrative Costs. Wisconsin contracts with EDS-Federal to administer state supplemental SSI benefits and provide customer assistance to SSI beneficiaries. $1,167,800 GPR is budgeted in 1996-97 for administrative costs of the state's supplemental SSI program.

GOVERNOR

Reduce funding for state SSI benefits by $4,974,100 GPR annually, so that a total of $128,113,400 GPR would be budgeted for state SSI supplemental payments. From this total, provide a monthly benefit to SSI recipients with dependent children equivalent to $77 per month per child. Provide $1,576,500 PR in 1997-98 and $2,109,300 PR in 1998-99 from the temporary assistance for needy families (TANF) block grant to support a portion of the benefit for children of SSI recipients. Additionally, provide $77,800 GPR in 1997-98 and $47,000 GPR in 1998-99 to enhance and maintain the state SSI payment system.

Specify that dependent children of SSI recipients are not eligible for Wisconsin Works (W-2) employment positions or job access loans under the W-2 program. Further, provide that no AFDC payments may be made for a child on whose behalf a payment is made as a dependent child of SSI recipients, but that these children are eligible for medical assistance benefits.

DISCUSSION POINTS

Funding to Meet the Maintenance of Effort Requirement

1. In 1996, changes in federal law: (a) eliminated eligibility for SSI benefits for certain non-citizens and individuals considered disabled due to alcoholism or drug addiction; and modified standards for determining disability in children. As a result, it is estimated that 8,820 individuals in Wisconsin will lose their eligibility for federal and state SSI benefits. SSI benefits for individuals considered disabled due to addiction to alcohol or drugs were terminated January 1, 1997. Non-citizens are anticipated to begin losing benefits in October, 1997. Children receiving SSI will be reviewed to determine if they would be considered disabled under the new standards and some children are expected to begin losing benefits in December, 1997.

2. SB 77 would provide $121,450,900 GPR in 1997-98 and $120,335,900 GPR in 1998-99 to maintain current benefit levels for individuals that remain eligible for SSI. In addition, a total of $6,662,500 GPR in 1997-98 and $7,777,500 GPR in 1998-99 is budgeted to support a portion of the $77 per month benefit for the support of dependent children of SSI recipients. This funding would be sufficient to meet the state's MOE requirement based on calendar year 1995 expenditures.

3. After SB 77 was introduced, the state was notified by SSA that its MOE requirement based on calendar year 1996 expenditures increased. SSA indicated that, based on calendar year 1996 expenditures, the state's MOE level should be increased to $128,779,600. Following negotiations with SSA, the agencies agreed that the new MOE level should be $128,281,500. As a result, $168,200 GPR annually above the amount provided in SB 77 is required to ensure that the state is able to meet its MOE requirement.

4. At this time, it appears likely that Congress will restore some benefits to some legal immigrants based on federal budget negotiations. However, the manner in which benefits will be restored is unclear. The most recent information suggests that certain legal immigrants will be grand-fathered for SSI eligibility. Other information suggests that states may receive a block grant to provide benefits to certain legal immigrants. In addition, it is unclear whether benefits will be provided for all legal immigrants affected by current federal law, or just a portion of legal immigrants that would otherwise lose their eligibility.

5. A total of 8,820 individuals in Wisconsin are expected to lose SSI eligibility in 1998-99 as a result of these federal changes, including 4,369 non-citizens, 1,814 children and 2,636 individuals considered disabled due to alcoholism or drug addiction. If benefit levels are not adjusted to reflect reestimates of the individuals affected by the changes in eligibility, a total of $121,613,200 GPR in 1997-98 and $118,853,500 GPR would be required to maintain benefits to individuals not affected by the federal eligibility changes. These funds would provide an additional $5,800 GPR in 1997-98 and $1,650,500 GPR in 1998-99 to support the $77 child's benefit. Therefore, a corresponding amount of TANF funds can be reduced.

6. If future changes in federal law restore SSI benefits for legal immigrants, the state would not necessarily be required to increase funding for the state's supplement to the SSI program. Rather, since federal law only requires that the state maintain an annual expenditure level equal to the prior year's expenditures regardless of the number of beneficiaries, the state could adjust benefit levels downward to accommodate any federal changes in SSI eligibility. As provided under current law, DHFS would be required to receive approval from DOA, the Committee and the Governor to adjust benefit levels based on federal changes in SSI eligibility.

Benefit for Children of SSI Recipients

7. Under current AFDC provisions, children whose parents receive SSI benefits may be eligible to receive AFDC benefits. With the implementation of the W-2 program, children will no longer be eligible for AFDC benefits, nor will their parents be eligible for W-2 if the parents receive SSI benefits. Enrolled 1995 Assembly Bill 591 (enacted as 1995 Wisconsin Act 289, which established the W-2 program) contained a provision to establish an additional $77 monthly payment per child for certain SSI recipients with dependent children. The Governor vetoed this provision and, in his veto message, directed DHFS to pursue separate legislation to replace AFDC benefits for children of SSI recipients. The $77 per child benefit provided under SB 77 is intended to be this replacement. Under the Governor's recommendation, dependent children whose parents receive the $77 payment would not be eligible for participation in the W-2 employment program.

8. Under SB 77, the total cost of providing the $77 benefit effective September 1, 1997, is $8,239,000 (all funds) in 1997-98 and $9,886,800 (all funds) in 1998-99. SB 77 would provide $1,576,500 PR in 1997-98 and $2,109,300 PR in 1998-99 from the TANF block grant for some of the costs of the benefit. The remainder of the cost would be supported with $6,662,500 GPR in 1997-98 and $7,777,500 GPR in 1998-99 under the SSI program. The administration intends that this funding would be used to meet the state's SSI MOE requirement.

9. A reestimate of the number of individuals affected by federal eligibility changes and the increased MOE requirement based on 1996 SSI expenditures indicates an additional $5,800 GPR in 1997-98 and $1,650,500 GPR in 1998-99 would be available to fund the $77 benefit. As a result, TANF funding could be reduced by a corresponding amount to reflect the additional GPR funds available to support the $77 payment. This would increase the amount of TANF funds available to spend on the implementation of the W-2 program.

10. Concerns have been raised as to whether the manner in which the proposed $77 benefit would be funded, using a combination of GPR and TANF funds, conforms with federal TANF and SSI requirements.

The administration indicates that the payment to the SSI parent will be based on the needs of the parent, as required for the SSI program, in that the parent is obligated to support their

dependent children and that, as required under TANF, the payment would benefit the child. Further, DHFS argues that TANF work requirements and life-time limits on benefits do not apply, since these parents are not work-eligible adults.

11. However, the use of two separate fund sources, GPR and TANF block grant funds, appears to be inconsistent with federal law and interpretations provided by federal officials. Under SB 77, any GPR used for this payment is intended to assist the state in meeting its SSI MOE requirement. As such, the $77 benefit must be provided to the parent. However, according to the U.S. Department of Health and Human Services, Administration for Children and Families (ACF), any TANF funds used for this benefit must be provided as a child-only payment. If the benefit was provided to the parent, the parent could be subject to work requirements and time limits required under federal law. However, this interpretation appears to contradict the federal provision that defines a disability for SSI purposes, as a condition that prevents individual from gainful employment. Therefore, ACF has indicated that funding the benefit with both GPR funds for SSI purposes and TANF funds would be inconsistent with the purposes of both programs.

12. In recognition of concerns over the use of this benefit to support the needs of the children and to meet SSI MOE requirements, DHFS has requested a change to SB 77 to clarify the intent of the benefit. Specifically, DHFS has asked that the bill specify that the benefit is for the "support of children" of SSI recipients. However, if SSA does not agree that this benefit, even with the statutory modification requested by DHFS, would meet the federal definition of an SSI payment, these benefits would not be considered by the SSA when determining whether the state met its MOE requirement.

13. To address the apparent contradiction between using GPR and TANF funds to support the SSI benefit, the Committee could either: (a) use all TANF funds; or (b) all GPR funds to support this benefit. If TANF funds are used, the benefit would be characterized as a child-only benefit and the work requirements and time limits would not apply to recipients. If all GPR funds are used, the benefit would be provided to the parent.

14. For example, the Committee could provide $6,662,500 PR in 1997-98 and $7,777,500 PR in 1998-99 from the TANF block grant to fully fund the $77 per child benefit. Because the benefit would be a "child-only" benefit, the parents would not be subject to work requirements and five-year life-time limits on benefits under TANF.

As noted, under this option, an additional $14.6 million in the biennium would be provided from TANF block grant funds, compared to the amount budgeted in SB 77. These funds are primarily budgeted for expenditures related to the W-2 program. Because the federal TANF block grant is a sum certain amount, any expenditures in excess of this amount must be provided with GPR. Therefore, if the Committee chooses to fund the SSI dependent child benefit with TANF funds, W-2 expenditures budgeted in SB 77 would either need to be reduced, or supported instead with GPR. Expenditures of the TANF block grant for the W-2 program are discussed in other papers.

15. Alternatively, the Committee could choose to fund the entire $77 benefit with GPR funds. However, this would increase the state's MOE requirement under SSI to $129,852,200 GPR annually. In addition, the state would lose the ability to increase SSI benefits for all SSI recipients, or to absorb the impact of reinstatement of benefits for certain non-citizens in the event Congress modifies eligibility for non-citizens. However, this alternative would make available an additional $1.6 million in 1997-98 and $2.1 million in 1998-99 of TANF funds available for other purposes.

Amount of SSI Dependent Child Benefit

16. The administration indicates that the $77 per month benefit is intended to represent the incremental cost of a child in a family. The $77 amount was determined by calculating the difference between the maximum AFDC payment for a family size of two ($440) and a family size of three ($517). Since the SSI payment received by the parent is intended to accommodate the basic needs of the family, such as housing and food, it is argued that the $77 is sufficient to meet the basic costs required for each dependent child.

17. Others would argue that the $77 per month benefit does not represent the incremental costs of serving the basic needs of a child, particularly if the child resides in a family where a parent is either blind or disabled.

An alternative measure of the incremental costs of providing for the basic needs of a child is the current kinship care payment of $215 per month. Under SB 77, counties would make this monthly payment for each child in the care of a relative.

18. The Committee could increase the benefit for children of SSI recipients to $215 per month by providing $21,428,500 PR in 1997-98 and $25,496,700 PR in 1998-99 of TANF funds transferred from DWD. It should be specified that this benefit is provided to the child under requirements of the TANF program. The TANF funding that would be provided for this benefit would total $23,005,000 PR in 1997-98 and $27,606,000. Using TANF funds for this purpose however, would significantly reduce the amount of TANF funds available for other purposes, primarily the implementation of the W-2 program.

19. Alternatively, the Committee could provide $16,484,900 GPR in 1997-98 and $18,326,200 GPR in 1998-99 to fund a supplement to the SSI program equivalent to $215 per month for each dependent child of an SSI recipient. This would increase the state's MOE requirement to $144,618,200 in 1997-98 and $146,459,500 in 1998-99.

ALTERNATIVES TO BILL

1. *Governor's Recommendation with MOE Reestimate.* Modify the Governor's recommendations to provide $168,200 GPR annually in order for the state to comply with the

SSI maintenance of effort requirement and reduce TANF funding by $5,800 PR in 1997-98 and $1,650,500 PR in 1998-99 to reflect reestimates of the TANF funding required to implement a $77 benefit for dependent children of SSI recipients and specify that the $77 benefit would be provided to the SSI parent for the support of the child.

Alternative 1	GPR	PR	TOTAL
1997-99 FUNDING (Change to Bill)	$336,400	- $1,656,300	- $1,319,900

2. *Fund $77 Children's Benefit with 100% TANF Funding.* Modify the Governor's recommendations to provide $168,200 GPR annually in order for the state to comply with the SSI maintenance of effort requirement and provide $6,662,500 PR in 1997-98 and $7,777,500 PR in 1998-99 to be transferred from DWD from the TANF block grant and specify that this benefit would be a benefit for each dependent child of an SSI recipient. Under this alternative, benefits for SSI recipients would be increased across-the-board in order for the state to meet its MOE requirement.

Alternative 2	GPR	PR	TOTAL
1997-99 FUNDING (Change to Bill)	$336,400	$14,440,000	$14,776,400

3. *Fund $77 Children's Benefit with 100% GPR.* Modify the Governor's recommendations to delete TANF funding for the benefit for dependent children of SSI recipients (-$1,576,500 PR in 1997-98 and -$2,109,300 PR in 1998-99), and instead provide $1,738,900 GPR in 1997-98 and $1,738,900 GPR in 1998-99 to fund the $77 per month benefit for dependent children of SSI recipients with GPR funding. Specify that this benefit is a benefit for an SSI recipient for the care and maintenance of their dependent children.

It is estimated that this alternative will increase the state's SSI MOE requirements to $129,852,200 in 1997-98 and 1998-99.

Alternative 3	GPR	PR	TOTAL
1997-99 FUNDING (Change to Bill)	$3,477,800	- $3,685,800	- $208,000

4. *Fund $215 Children's Benefit with 100% TANF Funding.* Modify the Governor's recommendations by providing an additional $168,200 GPR annually in order for the state to comply with the SSI maintenance of effort requirement and provide $21,428,500 PR in 1997-98 and $25,496,700 PR in 1998-99 to be transferred from DWD from the TANF block grant. Increase the statutory provision for the benefit to children of SSI recipients to $215 per month and specify that the benefit is for each child that is a dependent of an SSI recipient. Under this alternative, benefits for SSI recipients would be increased across-the-board in order for the state to meet its MOE requirement.

Alternative 4	GPR	PR	TOTAL
1997-99 FUNDING (Change to Bill)	$336,400	$46,925,200	$47,261,600

5. *Fund $215 Children's Benefit with 100% GPR and the SSI MOE Level.* Modify the Governor's recommendations by deleting TANF funding for benefits for dependent children of SSI recipients (-$1,576,500 PR in 1997-98 and -$2,109,300 PR in 1998-99), and provide $16,504,900 GPR in 1997-98 and $18,346,200 GPR in 1998-99 for the benefit for children of SSI recipients. Specify that the benefit is $215 per month and provided for an SSI recipient for the care and maintenance of their dependent children.

It is estimated that this alternative would increase the state's MOE requirement to $144,618,200 in 1997-98 and $146,459,500 in 1998-99.

Alternative 5	GPR	PR	TOTAL
1997-99 FUNDING (Change to Bill)	$34,851,100	- $3,685,800	$31,165,300

Prepared by: Rachel Cissne

MO# Alt #1

JENSEN	~~Y~~	N	A
OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	Y	~~N~~	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	~~Y~~	N	A
COWLES	~~Y~~	N	A
PANZER	~~Y~~	N	A

AYE 9 NO 7 ABS____

Representative Coggs

HEALTH AND FAMILY SERVICES/WORKFORCE DEVELOPMENT

Payment for Children of SSI Parents

Motion:

Move to provide $168,200 GPR and $19,537,700 PR in 1997-98 and $168,200 GPR and $23,227,800 PR in 1998-99 to: (a) enable the state to comply with SSI maintenance of effort requirements; and (b) to provide benefits to children of SSI parents equal to the current AFDC maximum payment by family size, rather than to support a payment of $77 per month per child. Specify that only children would be included in the determination of the benefit amount.

Note:

This motion would establish a benefit for children of SSI parents equivalent to the current AFDC maximum payment by family size, and provide GPR funding to enable the state to comply with its SSI maintenance of effort requirements. In addition, this motion would specify that only children would be included in the determination of the benefit amount. The benefits would be established in statute based on the current maximum payment available under AFDC. For example, a family with one child would receive $249 per month; a family with three children would receive $517 per month. These benefits would be paid from TANF funds transferred from DWD.

[Change to Bill: $42,765,600 PR and $336,400 GPR]
TANF

MO# 5063

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	Y	~~N~~	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
/ COGGS	~~Y~~	N	A
2 BURKE	~~Y~~	N	A
DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 8 NO 8 ABS ___

Motion #5063

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Copayments and Income Eligibility Limit for W-2 Child Care (Workforce Development -- Economic Support and Child Care)

[LFB Summary: Page 689, #9]

CURRENT LAW

Currently, child care subsidies to families for work and some educational activities are provided under a number of programs, including consolidated AFDC and JOBS child care, transitional child care and low-income and at-risk child care. As a result of 1995 Act 289, these programs will be consolidated into a single child care program under W-2, beginning in 1997-98. Except for a grandfather provision affecting families who were receiving child care prior to August 1, 1996, eligibility for child care is limited to families with income equal to or less than 165% of the federal poverty level (FPL). When the current child care programs are consolidated under W-2, the grandfather provision will not apply, and all families will be required to have income at or below 165% of the FPL. The grandfather provision allows eligibility under low-income and at-risk child care up to 75% of the state's median income (approximately 217% of the FPL).

Copayments are currently required of participants of the low-income and at-risk child care programs and transitional child care program. The AFDC-related child care programs, such as JOBS, do not require copayments of the recipients. When the child care programs are consolidated under W-2 in the beginning of 1997-98, every recipient will be required to make a copayment. The current copayment schedule is a result of a Governor's Child Care Work Group recommendation issued on December 12, 1996 and implemented on January 10, 1997. The implementation of the new copayment schedule allowed counties a transitional period for current recipients (receiving child care prior to January 10, 1997) that would extend to the next

eligibility redetermination or date determined by the local agency, but no later than July 1, 1997. This new copayment schedule is listed in Attachment 1.

A brief description of the major aspects of the current copayment schedule is as follows:

Type of Copayment. The copayment is a flat fee based on family income as a percentage of the federal poverty level and the number of children in care (up to five children in care).

Limit on Size of Copayment. The copayment schedule was structured so that the copayment would not exceed 16% of the family's gross income. In many situations the requirement is less than 16% of income; this limit of 16% is reached when the family uses licensed care, has a single child in care, and has a higher income.

Discount for Use of Certified Care. The required copayment for certified child care is 30% less than the required copayment for licensed child care. Although the required copayments for licensed and certified child care differ, there is no difference in the required copayment for the two types of licensed care nor for the two types of certified care.

For families with income up to 165% of the FPL, the required copayment ranges from a minimum of $3 per week (average of $13 per month) to a maximum of $95 per week (average of $412 per month). Including families up to 200% or 217% of the FPL, the maximum copayments would increase, respectively, to $113 per week (average of $490 per month) or $123 per week (average of $533 per month).

Current statutory provisions authorize the Department of Health and Family Services (DHFS) to establish the required copayment amounts. Statutory law does not contain any specific standards in regards to the copayments, and does not limit DHFS in any specific ways in regards to the structure of the copayments.

GOVERNOR

Modify the W-2 child care program to allow families that were receiving child care subsidies under the low-income child care, transitional child care or W-2 child care programs on or after May 10, 1996, to remain eligible for child care subsidies as long as the family's income remains at or below 200% of the federal poverty level. Specify that if the family's income increases above 200% of the poverty level, that family would not be eligible under this special provision even if income later falls below 200% of the poverty level. Once a family's income exceeds 200% of the federal poverty level, that family could not regain eligibility for child care subsidies until income falls below 165% of the poverty level, which is the income standard for new applicants under these programs.

SB 77 does not recommend any changes to current copayment schedule.

DISCUSSION POINTS

1. Under prior state law, the Department of Workforce Development (DWD) was authorized to establish a child care copayment schedule based on ability to pay. The prior law schedule for child care copayments did not impose a copayment until the family's income approached 100% of the federal poverty level. The copayment then was increased incrementally until family income reached 50% of state median income, at which point, the copayment increased at a faster rate until 75% of state median income. Families with income above 75% of the state median income were not eligible for any child care subsidy.

Although the copayment schedule differed slightly by size of family, the relationship between the required copayment and income as a percentage of the federal poverty level was approximately as follows: $0 at 50% of the FPL; $0 at 75% of the FPL; $27 per month at 100% of the FPL; $40 per month at 125% of the FPL; $75 per month at 150% of the FPL; $180 per month (existing recipients) or full cost of care (new applicants) at 175% of the FPL; $292 per month (existing recipients) or full cost (new applicants) at 200% of the FPL; and full cost of care at 225% of the FPL. The prior law copayment depended only on the family's income and was not affected by the cost of care, type of care or number of children in the family receiving child care.

2. As passed by the Legislature, the W-2 legislation (1995 Assembly Bill 591) included a specific child care copayment schedule. Under this provision, the child care copayment would be a specific percentage of the cost of child care, based on the family's income as a percentage of poverty, according to the following schedule:

- 7.5% of child care costs for families with income up to 75% of the FPL;
- 10% of child care costs for families with income over 75%, but under 95% of the FPL;
- For each 1% of the FPL above 95%, the copayment percentage would increase by 1.2857%;
- At 165% of the FPL, the copayment would be 100%.

Unlike the prior law copayment schedule, the Act 289 schedule would depend on the type of care chosen and the number of children from the family receiving care, as well as income. Thus, the required copayment for a family at 125% of the FPL could vary greatly.

The child care schedule in AB 591 was vetoed by the Governor when he signed the bill as Act 289. Therefore, Act 289 did not contain a statutory copayment schedule; however, the budgetary estimates under Act 289 were based on the copayment schedule described above and the Governor's veto message indicated that DWD would implement this schedule. In the summer

of 1996, DWD issued emergency rules to implement the Act 289 copayment schedule on August 1, 1996, but the Governor suspended implementation of this schedule and it was never implemented.

3. Attachment 2 provides two tables that illustrate the different copayments that would be required under prior law, the W-2 copayment schedule that was anticipated under Act 289 and suspended in August, 1996, and the copayments implemented in January, 1997. For families with income between 165% and 200% of poverty, Attachment 2 indicates the copayment for existing recipients; for new applicants the copayments would be higher and equal to the cost of care. However, the Governor's proposed modification to the W-2 child care program would, once a family began receiving child care assistance, allow a family to continue to receive a subsidy until income reaches 200% of the federal poverty level.

4. Although the current law copayments are much lower than those originally anticipated under Act 289, the new copayments are still significantly higher than used prior to Act 289. Although the copayments are limited to 16% or less of gross income, for a family near the poverty level even such copayments may be a burden.

5. In the fall of 1996, as a result of additional funds due to the TANF block grant and federal child care block grant, direct child care funding for 1996-97 was increased by $36.8 million to eliminate child care waiting lists under low-income child care and to meet increased demand for child care resulting under the AFDC-related child care programs as a result of the transition to W-2. Because of this increase, county expenses for child care became fully reimbursable as of January 1, 1997.

6. In the current fiscal year, 1996-97, there is $89,640,700 appropriated for the AFDC-related and low-income and at-risk child care programs. However, it is not expected that all of these funds will be expended. As of April 30, 1997, counties had reported $61.4 million of child care expenditures on the CARS system as a cumulative total for the current state fiscal year. Expenditures reported for the months of February, March, and April are, respectively, $6.8 million, $4.5 million and $0.6 million. Although this pattern of expenditures is erratic and indicates that the CARS system does not give an exact representation of expenditures as of each time period, the figures do suggest that the appropriated $89.6 million will not be fully expended in 1996-97. Part of the variability may be due to the fact that counties were allowed advanced payments for child care spending. Unexpended federal funds of approximately $12 million, that would be carried over into 1997-98, can be expected.

7. In SB 77, $158.5 million in 1997-98 and $180.2 million in 1998-99 were provided for direct child care services under the W-2 child care program. These funding levels represent the projected costs of W-2 child care that were anticipated when Act 289 was passed in the spring of 1996. Although the assumptions used at that time for the estimated cost of W-2 child care differ from how events have turned out, recent experience to-date with the expansion of child care services is consistent with those budgeted amounts. Since there is uncertainty in

regards to estimating costs for the W-2 child care program, it may be prudent to maintain the current budgeted amounts for 1997-99.

8. The estimated carryover of $12 million from 1996-97 could be used for a reserve in case actual child care costs are higher than projected, for a modest expansion of child care or other expenditures related to the W-2 program.

9. Arguments for maintaining the current level of copayments are:

a. A higher copayment will provide a stronger incentive for families that have feasible alternatives to paid child care, such as a grandparent or older sibling, to utilize those alternatives and relieve the state of the burden of paid child care. If it is believed that the copayments are too much of a burden given the resources of these families, there is the alternative of expanding the income of low-income families by providing higher grants under the W-2 employment positions or some other mechanism. This alternative could reduce the burden of the current copayments while avoiding increased costs for child care due to increased demand resulting from lower copayments.

b. Part of the rationale of the current copayment schedule is to impose a part of the same burden that faces families who do not qualify for subsidized child care. Working class families face the high costs of child care and are burdened by child care costs and also face higher costs with additional children in child care and with use of more expensive types of child care.

10. One proposal that has been introduced into legislation is to limit the amount of the copayment to 10% of income. The impact of this change can be seen in Attachment 3 which lists the current copayment as a percentage of gross income. Assuming that current copayments below 10% would not be changed, the effect of a 10% limit would be to provide the largest decrease for families with incomes that are above 140% of the FPL while families with the lowest levels of income would either not be affected or receive less of a decrease. Also, with a 10% limit applied to the current copayment schedule, the rate of increase in copayments per additional dollar of income for families below approximately 100% of poverty would be higher than for families with incomes above 100% of poverty. The estimated annual cost of this change is $4.0 million in 1997-98 and $5.1 million in 1998-99.

11. An alternative option for lowering copayments would be to move the copayment rates for licensed child care closer to those of certified care. The copayments for certified care do not exceed 11.6% of income while the licensed child care copayments are 30% higher and reach 16% of income. If the licensed child care copayments were set at 110% of the certified child care rates, the higher licensed care copayments would be reduced for all groups while maintaining the current structure of the copayments, except for reducing the differential between licensed care and certified care. A lower differential may increase the demand for licensed child care which may further increase state costs but also increase the quality of child care for these

groups. Such a change would cost approximately $4.2 million in 1997-98 and $5.3 million in 1998-99.

ALTERNATIVES TO BASE

PASS

1. Approve the Governor's recommendation to modify the W-2 child care program to allow families that were receiving child care subsidies under the low-income child care, transitional child care or W-2 child care programs on or after May 10, 1996, to remain eligible for child care subsidies as long as the family's income remains at or below 200% of the federal poverty level. Specify that if the family's income increases above 200% of the poverty level, that family would not be eligible under this special provision even if income later falls below 200% of the poverty level.

FAIL

2. In addition to Alternative 1, provide $4,000,000 in 1997-98 and $5,100,000 in 1998-99 to limit copayments to 10% of income.

Alternative 2	ALL FUNDS
1997-99 FUNDING (Change to Bill)	$9,100,000

FAIL

3. In addition to Alternative 1, provide $4,200,000 in 1997-98 and $5,300,000 in 1998-99 to reduce the copayment rates for licensed child care to 110% of the current copayment rates for certified child care.

Alternative 3	ALL FUNDS
1997-99 FUNDING (Change to Bill)	$9,800,000

4. In addition to Alternative 1, provide $2,100,000 in 1997-98 and $2,650,000 in 1998-99 to reduce the copayment rates for licensed child care to 120% of the current copayment rates for certified child care.

Alternative 4	FED
1997-99 FUNDING (Change to Bill)	$4,900,000

MO# Alt #1

Prepared by: Richard Megna

JENSEN	Y	N	A	BURKE	Y	N	A
OURADA	Y	N	A	DECKER	Y	N	A
HARSDORF	Y	N	A	GEORGE	Y	N	A
ALBERS	Y	N	A	JAUCH	Y	N	A
GARD	Y	N	A	WINEKE	Y	N	A
KAUFERT	Y	N	A	SHIBILSKI	Y	N	A
LINTON	Y	N	A	COWLES	Y	N	A
COGGS	Y	N	A	PANZER	Y	N	A

AYE 16 NO 0 ABS____

PAPER # 974

MO# AH #3

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	Y	~~N~~	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
2 COGGS	~~Y~~	N	A
1 BURKE	~~Y~~	N	A
DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 8 NO 8 ABS ____

MO# AH #2

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	Y	~~N~~	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
2 COGGS	~~Y~~	N	A
1 BURKE	~~Y~~	N	A
DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 8 NO 8 ABS ____

Senator Jauch

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Threshold For Requirement to be Licensed for Child Care

Motion:

Move to modify the statutory threshold for requiring a child care provider to be licensed by the state as a day care center to specify that state licensing would be required if the person was caring for 5 or more children under the age of 7.

Note:

Under current law, no person may for compensation provide care and supervision for 4 or more children under the age of 7 for less than 24 hours a day unless that person obtains a license to operate a day center from the Department of Health and Family Services. This motion would reduce this restriction to specify that state licensure would be required only if the person was providing compensated care to 5 or more children under the age of 7.

MO# 7008

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 14 NO 2 ABS ____

Motion #7008

Representative Coggs

WORKFORCE DEVELOPMENT

Child Care for Children with Disabilities and Chronic Health Conditions

Motion:

Move to provide $4,000,000 all funds in 1997-98 and $5,000,000 all funds in 1998-99 to expand eligibility for W-2 child care services to include children 13 to 21 years old if the child has a disability or chronic health condition that requires the supervision of an adult. Specify that the subsidy amount would be the same amount as provided to other types of children, and that the family would be subject to all the other non-financial and financial requirements for participation in the W-2 child care program. Specify that this change would be effective on October 1, 1997.

Note:

The W-2 child care program currently restricts child care services to children under the age of 13. This motion would expand W-2 child care to children over 12 years old but less than 21 if the child has a disability or chronic health condition that requires the supervision of an adult. The estimated cost of this expansion is $4.0 million in 1997-98 and $5.0 million in 1998-99.

[Change to Bill: $9,000,000 All Funds]

MO# 6006

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	N	N	A
1 COGGS	N	N	A
BURKE	N	N	A
DECKER	N	N	A
2 GEORGE	N	N	A
JAUCH	N	N	A
WINEKE	N	N	A
SHIBILSKI	N	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS

Motion #6006

Representative Coggs

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Training and Technical Assistance for Special Needs Child Care

Motion:

Move to authorize the Department of Workforce Development to contract for: (a) training of child care providers in the provision of care to children with special needs; and (b) development of a network of child care providers who are qualified to provide care for children with special needs.

Note:

Under current law, DWD may contract with agencies for the provision of training and technical assistance to improve the quality of child care in this state. Currently, the statutes specify seven specific activities for which training and technical assistance can be provided. In addition, statutes include a provision that DWD may contract for any other service to improve the availability and quality of child care in this state.

This motion would add an additional specific activity that DWD would be authorized to contract for in training and technical assistance contracts. This motion would specifically authorize DWD to contract for: (a) training of child care providers in the provision of care to children with special needs; and (b) development of a network of child care providers who are qualified to provide care for children with special needs. The provisions of this motion are contained in Senate Bill 163.

Motion #7003

MO# 7003

JENSEN	N	A
OURADA	N	A
HARSDORF	N	A
ALBERS	N	A
GARD	N	A
KAUFERT	N	A
2 LINTON	N	A
1 COGGS	N	A
BURKE	N	A
DECKER	N	A
GEORGE	N	A
JAUCH	N	A
WINEKE	N	A
SHIBILSKI	N	A
COWLES	N	A
PANZER	N	A

AYE 16 NO 0 ABS

Representative Coggs

WORKFORCE DEVELOPMENT -- CHILD CARE

Certified Provisional Child Care Providers

Motion:

Move to require certified provisional or Level II family child care providers to receive the same minimum numbers of hours of training as is established for Level 1 certified family day care providers, beginning October 1, 1997.

Note:

1995 Wisconsin Act 289 modified the regulation and certification of child care providers to: (a) create a classification of certified providers, termed provisional, subject to lesser regulation than prior law certified providers; (b) define prior law certified family day care providers as "Level I" and newly-created certified provisional providers as "Level II"; (c) limit the maximum reimbursement rate for a Level I provider to 75% of the maximum rate for licensed family care, and for a Level II provider to 50% of the maximum rate for licensed family care; (d) specify that a provider who is a relative of all of the children for whom day care is provided would not be eligible to be certified as a Level I provider; and (e) in establishing requirements for certification for Level II, or certified provisional, providers, prohibit the Department of Health and Family Services from including a requirement for provider training.

This motion would impose the same training requirement on certified Level II or provisional family child care providers as is established under rule for Level I certified family day care providers. Currently, the minimum requirement is 15 hours of training. The addition of this training requirement to Level II providers may cause more Level II providers to become Level I providers resulting in an increase for W-2 child care costs. If all Level II providers become Level I, W-2 child costs would increase $2.4 million annually. However, Level II providers who only cared for relatives could not become a Level I provider. This change is estimated to increase W-2 child care costs by $1.3 million in 1997-98 and $1.6 million in 1998-99.

[Change to Base: $2,900,000 All Funds]
[Change to Bill: $2,900,000 All Funds]

Motion #5016

MO# 5016

JENSEN	Y	N	A	BURKE	N	A																	
OURADA	Y	N	A	DECKER	N	A																	
HARSDORF	Y	N	A	GEORGE	N	A																	
ALBERS	Y	N	A	JAUCH	N	A																	
GARD	Y	N	A	WINEKE	N	A																	
KAUFERT	Y	N	A	SHIBILSKI	Y	A																	
LINTON	Y	N	A	COWLES	Y	A																	
/COGGS	Y	N	A	PANZER	Y	A																	

AYE 7 NO 9 ABS

Senator George

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Certified Provisional Child Care Providers

Motion:

Move to eliminate certified provisional or Level II family child care providers as a type of provider eligible for W-2 child care funds, beginning October 1, 1997.

Note:

1995 Wisconsin Act 289 modified the regulation and certification of child care providers to: (a) create a classification of certified providers, termed provisional, subject to lesser regulation than prior law certified providers; (b) define prior law certified family day care providers as "Level I" and newly-created certified provisional providers as "Level II"; (c) limit the maximum reimbursement rate for a Level I provider to 75% of the maximum rate for licensed family care, and for a Level II provider to 50% of the maximum rate for licensed family care; (d) specify that a provider who is a relative of all of the children for whom day care is provided would not be eligible to be certified as a Level I provider; and (e) in establishing requirements for certification for Level II, or certified provisional, providers, prohibit the Department of Health and Family Services from including a requirement for provider training.

This motion would delete the certified Level II or provisional family child care providers as a type of provider that would be eligible for public funds for child care. The elimination of this type of child care, which would be reimbursed at 50% of the maximum rate for licensed family day care, is estimated to increase W-2 child care costs by $2.0 million in 1997-98 and $2.4 million in 1998-99.

[Change to Base: $4,400,000 All Funds]
[Change to Bill: $4,400,000 All Funds]

Motion #5011

MO# 5011

	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 7 NO 9 ABS

Senator George

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Child Care for Education and Training

Motion:

Move to expand, beginning October 1, 1997, the types of activities for which a child care subsidy under W-2 can be obtained to include all education and training programs that are likely to lead to paid employment, as determined by the Department of Health and Family Services, by rule.

Note:

Under current law, the types of activities for which a child care subsidy could be provided include any of the following:

1. Meet Learnfare school attendance requirements.

2. Work in an unsubsidized job, including training provided by an employer during the regular hours of employment.

3. Work in a W-2 employment position, including allowable educational or training activities under W-2; or

4. Participate in other employment skills training, including a GED, other vocational training or educational courses that provide an employment skill, as defined by DWD by rule, if the individual: (a) has been employed in unsubsidized employment for nine consecutive months and continues to be so employed; or (b) is a participant in a Wisconsin Works employment position. Individuals in unsubsidized employment would be limited to one year for child care for other employment skills training.

This motion would allow all education and training programs that are likely to lead to paid employment as an activity for which a child care subsidy could be obtained under Wisconsin Works. As is required for any child care subsidy for work or other eligible activity, the individual would still have to meet the financial and other requirements of the W-2 program in other to receive a child care subsidy for attending education and training programs that are likely to lead to paid employment. If it is assumed that 5% of the recipients receiving child care utilize this additional option, the cost would be $1,100,000 in 1997-98 and $1,400,000 in 1998-99.

[Change to Base: $2,500,000 All Funds]
[Change to Bill: $2,500,000 All Funds]

Motion #6008

MO# 6008

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS

Representative Coggs

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Twenty-Hour Minimum Training for Certified Child Care Providers

Motion:

Move to require certified family child care providers to receive a minimum of 20 hours of training in child development and safety, beginning October 1, 1997. In addition, require the Department of Workforce Development to require recipients of child care start-up grants and child care quality improvement grants to have a minimum of 20 hours of training in child development and safety. Specify that the employes of the grant recipients who provide care and supervision for children would be included in this 20-hour training requirement.

Note:

1995 Wisconsin Act 289 modified the regulation and certification of child care providers to: (a) create a classification of certified providers, termed provisional, subject to lesser regulation than prior law certified providers; (b) define prior law certified family day care providers as "Level I" and newly-created certified provisional providers as "Level II"; (c) limit the maximum reimbursement rate for a Level I provider to 75% of the maximum rate for licensed family care, and for a Level II provider to 50% of the maximum rate for licensed family care; (d) specify that a provider who is a relative of all of the children for whom day care is provided would not be eligible to be certified as a Level I provider; and (e) in establishing requirements for certification for Level II, or certified provisional, providers, prohibit the Department of Health and Family Services from including a requirement for provider training.

This motion would impose a minimum 20-hour training requirement for Level I and Level II certified family child care providers, recipients of child care start-up grants and quality improvement grants and grant recipient employes who provide care and supervision for children. Currently, Level I certified providers are required to receive a minimum of 15 hours, while Level II certified providers are not subject to a training requirement. Currently, statutory provisions relating to the award of child care start-up and quality improvement grants do not specify any training requirements for grant recipients and their employes.

The addition of a training requirement to Level II providers may cause more Level II providers to become Level I providers resulting in an increase for W-2 child care costs. If all Level II providers become Level I, W-2 child costs would increase $2.4 million annually. However, Level II providers who only cared for relatives, could not become a Level I provider. This change is estimated to increase W-2 child care costs by $1.3 million in 1997-98 and $1.6 million in 1998-99. The provisions of this motion are contained in Senate Bill 163.

[Change to Base: $2,900,000 All Funds]
[Change to Bill: $2,900,000 All Funds]

MO# 7005

JENSEN	Y	~~N~~	A
OURADA	Y	~~N~~	A
HARSDORF	Y	~~N~~	A
ALBERS	Y	~~N~~	A
GARD	Y	~~N~~	A
KAUFERT	Y	~~N~~	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A
BURKE	~~Y~~	N	A
DECKER	Y	~~N~~	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	Y	~~N~~	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 6 NO 10 ABS ___

Senator Jauch

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Maximum Number of Unrelated Children for Certified Child Care Providers

Motion:

Move to direct the Department of Health and Family Services to modify the administrative rule for the maximum number of children cared for by Level I certified day care providers to allow these providers to care for a total of six unrelated children under the age of seven. Specify that Level I certified child care providers would still be subject to the current maximum limit of six children in care, exclusive of the provider's natural, adopted or foster children 7 years of age or older.

In addition, move to modify the current statutory threshold for requiring a child care provider to be licensed by the state as a day care center to specify that state licensing would be required if the person was caring for 4 or more children under the age of 7, except that Level I certified child care providers would be allowed to care for up to six unrelated children under the age of seven.

Note:

Under current administrative rules, certified child care providers are allowed to care for up to a maximum of six children, exclusive of the provider's natural, adopted or foster children 7 years of age or older. In addition, certified providers are prohibited under rule and statutory provisions from caring for more than three unrelated children under the age of seven. Further, certified providers cannot have more than four children under the age of two present in the home, and if there are three or four children under the age of two, the maximum number of children that can be cared for would be reduced to 5 and 4, respectively. Current statutory law specifies that no person may for compensation provide care and supervision for 4 or more children under the age of 7 unless that person obtains a license to operate a day center from the Department of Health and Family Services.

This motion would direct DHFS to modify the administrative rule for the maximum number of children cared for by Level I certified day care providers to allow these providers to care for a total of six unrelated children under the age of seven. This motion would retain the limit that Level I certified child care providers could not have more than six children in care, exclusive of the provider's natural, adopted or foster children 7 years of age or older. In addition, this motion would modify the statutory restriction that requires a child care provider to be licensed under the state if care is provided to 4 or more children under the age of 7 by adding an exception for Level I certified child care providers that would allow these providers to care for up to 6 unrelated children under the age of 7 without being licensed under the state.

Motion #5039

VOTE OVER →

MO# 5039

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
2GEORGE	Y	N	A
1JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

Representative Harsdorf

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Child Care for Education and Training

Motion:

Move to expand, beginning October 1, 1997, the types of activities for which a child care subsidy under W-2 can be obtained by: (a) increasing the time limit for pursuing specified educational and training activities to two years, rather than one year; and (b) including in the list of educational and training programs eligible for child care under this time limit a course of study at a technical college if the Wisconsin Works agency determines that the course would facilitate the individual's efforts to obtain or maintain employment.

Note:

Under current law, the types of activities for which a child care subsidy could be provided include any of the following:

1. Meet Learnfare school attendance requirements.

2. Work in an unsubsidized job, including training provided by an employer during the regular hours of employment.

3. Work in a W-2 employment position, including allowable educational or training activities under W-2; or

4. Participate in other employment skills training, including a GED, other vocational training or educational courses that provide an employment skill, as defined by DWD by rule, if the individual: (a) has been employed in unsubsidized employment for nine consecutive months and continues to be so employed; or (b) is a participant in a Wisconsin Works employment position. Individuals would be limited to one year for child care for other employment skills training.

This motion would increase the time limit for pursuing other employment skills training, as defined in (4) above, and would add to the list of eligible activities a course of study at a technical college if the Wisconsin Works agency determines that the course would facilitate the individual's efforts to obtain or maintain employment. If it is assumed that 3% of the recipients receiving child care utilize this additional option, the cost would be $660,000 in 1997-98 and $840,000 in 1998-99.

[Change to Base: $1,500,000 All Funds]
[Change to Bill: $1,500,000 All Funds]

Motion #3066

VOTE OVER ⇒

MO# 3066

JENSEN	Y	N	A
ZOURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 15 NO 1 ABS ____

ATTACHMENT 1

Current Child Care Co-Payment for Licensed and Certified Care

Income as % of FPL	Gross Monthly Family Income, Family Size: 2	3	4	5	6	7	8	9	10+	Weekly Licensed Care Co-Pay Amount, Children in Subsidized Care: 1	2	3	4	5+	Weekly Certified Care Co-Pay Amount, Children in Subsidized Care: 1	2	3	4	5+
<70%	604	757	910	1063	1216	1369	1521	1674	1827	22	39	61	78	100	13	26	43	56	69
71-75%	647	812	975	1139	1303	1466	1630	1794	1958	22	48	69	91	113	17	30	48	65	78
76-80%	690	866	1040	1214	1390	1564	1738	1914	2088	35	56	78	104	126	26	39	56	74	87
81-85%	734	920	1105	1290	1476	1662	1847	2033	2219	48	69	91	113	139	30	48	65	78	95
86-90%	777	974	1170	1366	1563	1760	1958	2163	2349	56	87	113	143	169	39	61	78	100	121
91-95%	820	1028	1235	1442	1650	1857	2064	2272	2480	69	104	139	169	208	48	74	95	121	143
96-100%	863	1082	1300	1518	1737	1955	2173	2392	2610	78	113	147	182	217	56	78	104	130	152
101-105%	906	1136	1365	1594	1824	2053	2282	2512	2741	91	126	160	195	230	65	87	113	134	160
106-110%	949	1190	1430	1670	1911	2151	2390	2631	2871	104	139	169	208	238	74	95	121	143	169
111-115%	992	1244	1495	1746	1998	2248	2499	2751	3002	121	147	182	217	251	78	104	130	152	178
116-120%	1036	1298	1560	1822	2084	2346	2606	2870	3132	126	160	195	230	264	87	113	134	160	182
121-125%	1079	1353	1625	1898	2171	2444	2716	2990	3263	139	169	208	238	273	95	121	143	169	191
126-130%	1122	1407	1690	1973	2258	2542	2825	3110	3393	147	191	273	269	308	104	130	160	186	217
131-135%	1165	1461	1755	2049	2345	2639	2934	3229	3524	160	208	251	299	342	113	143	178	208	238
136-140%	1208	1515	1820	2125	2432	2737	3042	3349	3654	169	217	264	308	355	121	152	182	217	247
141-145%	1251	1559	1885	2201	2519	2836	2151	3468	3785	182	230	273	321	364	130	160	191	225	256
146-150%	1295	1623	1950	2277	2606	2933	3280	3588	3915	195	238	286	329	377	134	169	199	234	264
151-155%	1338	1677	2015	2353	2692	3030	3368	3708	4046	208	251	299	342	390	143	178	208	238	273
156-160%	1381	1731	2080	2429	2779	3128	3477	3827	4176	217	264	308	355	399	152	182	217	247	282
151-165%	1424	1785	2145	2505	2866	3226	3585	3947	4307	221	273	321	364	412	156	191	225	256	286
166-170%	1467	1839	2210	2581	2953	3324	3694	4066	4437	230	286	329	377	425	160	199	234	264	295
171-175%	1510	1894	2275	2657	3040	3421	3803	4186	4568	234	295	342	390	433	165	208	238	273	303
176-180%	1553	1946	2340	2732	3127	3519	3911	4306	4698	238	303	355	399	446	169	217	247	282	312
181-185%	1597	2002	2405	2808	3213	3617	4020	4425	4829	243	312	364	412	455	173	225	256	286	321
186-190%	1683	2056	2470	2884	3300	3715	4129	4545	4959	256	321	377	416	468	182	234	264	295	329
191-195%	1717	2110	2535	2960	3387	3812	4237	4664	5090	264	329	390	433	481	186	238	273	303	338
196-199%	1717	2153	2587	3021	3457	3890	4324	4760	5194	273	338	399	446	490	191	247	282	312	342
200-204%	1761	2207	2652	3097	3543	3988	4433	4880	5324	277	364	412	455	503	195	256	286	321	351
205-209%	1804	2261	2717	3173	3630	4086	4542	4999	5455	286	373	420	464	511	199	260	295	325	360
210-214%	1847	2315	2782	3249	3717	4184	4650	5119	5585	295	381	429	477	524	204	269	299	334	364
215-217%	1873	2348	2821	3294	3769	4242	4715	5191	5664	299	394	438	485	533	208	273	308	342	373

ATTACHMENT 2

Comparison of Monthly Child Care Copayments Under Prior Law, Act 289 and Current Law

Income as % of FPL	Hourly Wage	Monthly Income	Copayments[1] Prior Law Licensed	Prior Law Certified	Act 289 Licensed	Act 289 Certified	Current Law Licensed	Current Law Certified	Change Between Current Law: Act 289 Licensed	Act 289 Certified	Prior Law Licensed	Prior Law Certified
Single Parent -- One Child -- One in Child Care												
50%	$2.59	$432	$0	$0	$30	$15	$20	$14	-$10	-$1	$20	$14
75%	3.88	647	0	0	30	15	23	16	-7	1	23	16
100%	5.18	863	27	27	65	33	80	56	15	23	53	29
125%	6.47	1,079	39	39	192	96	137	96	-55	0	98	57
150%	7.77	1,295	62	62	320	160	194	136	-126	-24	132	74
175%	9.06	1,511	174	174	396	198	236[2]	165[2]	-160	-33	62	-9
200%	10.36	1,727	279	198	396	198	396	198	0	0	117	0
225%	11.65	1,942	396	198	396	198	396	198	0	0	0	0
Single Parent -- Two Children -- One in Child Care												
50%	$3.24	$541	$0	$0	$30	$15	$20	$14	-$10	-$1	$20	$14
75%	4.87	811	0	0	30	15	23	16	-7	1	23	16
100%	6.49	1,082	27	27	65	33	80	56	15	23	53	29
125%	8.11	1,352	40	40	192	96	137	96	-55	0	97	56
150%	9.73	1,622	75	75	320	160	194	136	-126	-24	119	61
175%	11.36	1,893	180	180	396	198	236[2]	165[2]	-160	-33	56	-15
200%	12.98	2,163	292	198	396	198	396	198	0	0	104	0
225%	14.60	2,434	396	198	396	198	396	198	0	0	0	0
Single Parent -- Two Children -- Two in Child Care												
50%	$3.24	$541	$0	$0	$59	$30	$40	$28	-$19	-$2	$40	$28
75%	4.87	811	0	0	59	30	46	32	-14	2	46	32
100%	6.49	1,082	27	27	130	65	114	80	-16	15	87	53
125%	8.11	1,352	40	40	385	192	171	120	-213	-72	131	80
150%	9.73	1,622	75	75	639	320	240	168	-399	-152	165	93
175%	11.36	1,893	180	180	792	396	295[2]	208[2]	-497	-188	115	28
200%	12.98	2,163	292	292	792	396	792	396	0	0	500	104
225%	14.60	2,434	792	396	792	396	792	396	0	0	0	0

[1]It is assumed that licensed care cost is $396 per child and certified child care cost is $198 per child.
[2]Child care subsidies for families with income above 165% of FPL are only available to existing recipients of child care subsidies so that new applicants at this income level would have to pay the full cost of care. The Governor has proposed to allow all families that initially qualify for child care to remain eligible until income reaches 200% of the FPL.

ATTACHMENT 2 (cont.)

Comparison of Monthly Child Care Copayments Under Prior Law, Act 289 and Current Law

Income as % of FPL	Hourly Wage	Monthly Income	Copayments[1] Prior Law Licensed	Prior Law Certified	Act 289 Licensed	Act 289 Certified	Current Law Licensed	Current Law Certified	Change Between Current Law: Act 289 Licensed	Act 289 Certified	Prior Law Licensed	Prior Law Certified
Single Parent -- Three Children -- One in Child Care												
50%	$3.90	$650	$0	$0	$30	$15	$20	$14	-$10	-$1	$20	$14
75%	5.85	975	0	0	30	15	23	16	-7	1	23	16
100%	7.80	1,300	27	27	65	33	80	56	15	23	53	29
125%	9.75	1,625	41	41	192	96	137	96	-55	0	96	55
150%	11.70	1,950	81	81	320	160	194	136	-125	-24	113	55
175%	13.65	2,275	186	186	396	198	236[2]	165[2]	-160	-33	50	-21
200%	15.60	2,600	298	198	396	198	396	198	0	0	98	0
225%	17.55	2,925	396	198	396	198	396	198	0	0	0	0
Single Parent -- Three Children -- Two in Child Care												
50%	$3.90	$650	$0	$0	$59	$30	$40	$28	-$19	-$2	$40	$28
75%	5.85	975	0	0	59	30	46	32	-14	2	46	32
100%	7.80	1,300	27	27	130	65	114	80	-16	15	87	53
125%	9.75	1,625	41	41	385	192	171	120	-213	-72	130	79
150%	11.70	1,950	81	81	639	320	240	168	-399	-152	159	87
175%	13.65	2,275	186	186	792	396	295[2]	208[2]	-497	-188	109	22
200%	15.60	2,600	298	298	792	396	792	396	0	0	494	98
225%	17.55	2,925	792	396	792	396	792	396	0	0	0	0
Single Parent -- Three Children -- Three in Child Care												
50%	$3.90	$650	$0	$0	$89	$45	$60	$42	-$29	-$3	$60	$42
75%	5.85	975	0	0	89	45	69	48	-20	3	69	48
100%	7.80	1,300	27	27	195	98	149	104	-46	6	122	77
125%	9.75	1,625	41	41	577	289	206	144	-371	-145	165	103
150%	11.70	1,950	81	81	959	479	286	200	-673	-279	205	119
175%	13.65	2,275	186	186	1,188	594	343[2]	240[2]	-845	-354	157	54
200%	15.60	2,600	298	298	1,188	594	1,188	594	0	0	890	296
225%	17.55	2,925	1,188	594	1,188	594	1,188	594	0	0	0	0

[1]It is assumed that licensed care cost is $396 per child and certified child care cost is $198 per child.
[2]Child care subsidies for families with income above 165% of FPL are only available to existing recipients of child care subsidies so that new applicants at this income level would have to pay the full cost of care. The Governor has proposed to allow all families that initially qualify for child care to remain eligible until income reaches 200% of the FPL.

ATTACHMENT 3

Current Child Care Co-Payment for Licensed and Certified Care

Income as % of FPL	Gross Monthly Family Income Family Size									Weekly Licensed Care Co-Pay Amount As a Percentage of Income					Weekly Certified Care Co-Pay Amount As a Percentage of Income				
	2	3	4	5	6	7	8	9	10+	1	2	3	4	5+	1	2	3	4	5+
<70%	604	757	910	1063	1216	1369	1521	1674	1827	3.6%	5.2%	6.7%	7.3%	8.2%	2.2%	3.4%	4.8%	5.3%	5.7%
71-75%	647	812	975	1139	1303	1466	1630	1794	1958	3.3%	5.9%	7.1%	8.0%	8.6%	2.7%	3.7%	4.9%	5.7%	6.0%
76-80%	690	866	1040	1214	1390	1564	1738	1914	2088	5.0%	6.5%	7.5%	8.6%	9.0%	3.8%	4.5%	5.4%	6.1%	6.2%
81-85%	734	920	1105	1290	1476	1662	1847	2033	2219	6.5%	7.5%	8.2%	8.7%	9.4%	4.1%	5.2%	5.9%	6.0%	6.5%
86-90%	777	974	1170	1366	1563	1760	1958	2163	2349	7.3%	8.9%	9.6%	10.5%	10.8%	5.0%	6.2%	6.7%	7.3%	7.8%
91-95%	820	1028	1235	1442	1650	1857	2064	2272	2480	8.5%	10.1%	11.2%	11.7%	12.6%	5.8%	7.2%	7.7%	8.4%	8.7%
96-100%	863	1082	1300	1518	1737	1955	2173	2392	2610	9.0%	10.4%	11.3%	12.0%	12.5%	6.5%	7.2%	8.0%	8.6%	8.7%
101-105%	906	1136	1365	1594	1824	2053	2282	2512	2741	10.0%	11.1%	11.7%	12.2%	12.6%	7.2%	7.6%	8.3%	8.4%	8.8%
106-110%	949	1190	1430	1670	1911	2151	2390	2631	2871	11.0%	11.7%	11.8%	12.5%	12.5%	7.8%	8.0%	8.5%	8.6%	8.8%
111-115%	992	1244	1495	1746	1998	2248	2499	2751	3002	12.2%	11.8%	12.2%	12.4%	12.6%	7.9%	8.4%	8.7%	8.7%	8.9%
116-120%	1036	1298	1560	1822	2084	2346	2606	2870	3132	12.1%	12.4%	12.5%	12.6%	12.7%	8.4%	8.7%	8.6%	8.8%	8.7%
121-125%	1079	1353	1625	1898	2171	2444	2716	2990	3263	12.9%	12.5%	12.8%	12.6%	12.6%	8.8%	9.0%	8.8%	8.9%	8.8%
126-130%	1122	1407	1690	1973	2258	2542	2825	3110	3393	13.1%	13.6%	16.2%	13.6%	13.6%	9.3%	9.2%	9.5%	9.4%	9.6%
131-135%	1165	1461	1755	2049	2345	2639	2934	3229	3524	13.8%	14.2%	14.3%	14.6%	14.6%	9.7%	9.8%	10.1%	10.2%	10.2%
136-140%	1208	1515	1820	2125	2432	2737	3042	3349	3654	14.0%	14.3%	14.5%	14.5%	14.6%	10.0%	10.0%	10.0%	10.2%	10.2%
141-145%	1251	1559	1885	2201	2519	2836	2151	3468	3785	14.5%	14.7%	14.5%	14.6%	14.5%	10.4%	10.3%	10.1%	10.2%	10.1%
146-150%	1295	1623	1950	2277	2606	2933	3280	3588	3915	15.1%	14.7%	14.7%	14.5%	14.5%	10.4%	10.4%	10.2%	10.3%	10.1%
151-155%	1338	1677	2015	2353	2692	3030	3368	3708	4046	15.5%	15.0%	14.8%	14.5%	14.5%	10.7%	10.6%	10.3%	10.1%	10.1%
156-160%	1381	1731	2080	2429	2779	3128	3477	3827	4176	15.7%	15.3%	14.8%	14.6%	14.3%	11.0%	10.5%	10.4%	10.2%	10.1%
151-165%	1424	1785	2145	2505	2866	3226	3585	3947	4307	15.5%	15.3%	14.9%	14.5%	14.4%	11.0%	10.7%	10.5%	10.2%	10.0%
166-170%	1467	1839	2210	2581	2953	3324	3694	4066	4437	15.7%	15.6%	14.9%	14.6%	14.4%	10.9%	10.8%	10.6%	10.2%	10.0%
171-175%	1510	1894	2275	2657	3040	3421	3803	4186	4568	15.5%	15.6%	15.0%	14.7%	14.3%	10.9%	11.0%	10.5%	10.3%	10.0%
176-180%	1553	1946	2340	2732	3127	3519	3911	4306	4698	15.3%	15.6%	15.2%	14.6%	14.3%	10.9%	11.1%	10.6%	10.3%	10.0%
181-185%	1597	2002	2405	2808	3213	3617	4020	4425	4829	15.2%	15.6%	15.1%	14.7%	14.2%	10.9%	11.3%	10.6%	10.2%	10.0%
186-190%	1683	2056	2470	2884	3300	3715	4129	4545	4959	15.2%	15.6%	15.3%	14.4%	14.2%	10.8%	11.4%	10.7%	10.2%	10.0%
191-195%	1717	2110	2535	2960	3387	3812	4237	4664	5090	15.4%	15.6%	15.4%	14.6%	14.2%	10.9%	11.3%	10.8%	10.2%	10.0%
196-199%	1717	2153	2587	3021	3457	3890	4324	4760	5194	15.9%	15.7%	15.4%	14.8%	14.2%	11.1%	11.5%	10.9%	10.3%	9.9%
200-204%	1761	2207	2652	3097	3543	3988	4433	4880	5324	15.7%	16.5%	15.5%	14.7%	14.2%	11.1%	11.6%	10.8%	10.4%	9.9%
205-209%	1804	2261	2717	3173	3630	4086	4542	4999	5455	15.9%	16.5%	15.5%	14.6%	14.1%	11.0%	11.5%	10.8%	10.2%	9.9%
210-214%	1847	2315	2782	3249	3717	4184	4650	5119	5585	16.0%	16.5%	15.4%	14.7%	14.1%	11.0%	11.6%	10.7%	10.3%	9.8%
215-217%	1873	2348	2821	3294	3769	4242	4715	5191	5664	16.0%	16.8%	15.5%	14.7%	14.1%	11.1%	11.6%	10.9%	10.4%	9.9%