



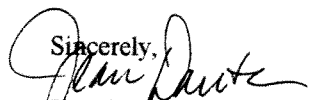
April 15, 1999

Dear Joint Finance Committee Members,

As the Chairperson of Family Resource Network, I have been encouraged to share the concerns of our members. We are greatly alarmed by the significant amount of funding that our state government is putting into the corrections budget. It is true that we need to keep dangerous criminals off the streets of Wisconsin. However, we continue to put huge increases in the bi-annual budget with very little being put on the other end of the continuum in the form of primary prevention. We know from various sources of research, that primary prevention is cheaper per person and has a longer, positive sustained impact than do prisons and institutions. We also know that between 80-95% of the people in prisons were victims of some form of abuse as a child. It is not hard to miss the connection between these two outcomes.

Therefore, we strongly support the 1% for Prevention provision in the Truth in Sentencing Bill that now must become a new, separate piece of legislation. This new legislation will require new dollars from the corrections budget to expand on what exists and develop new additional programming for communities not yet involved. Funding primary prevention programs can allow a greater amount of local control for more communities throughout the state.

Further, primary prevention funding with new dollars to programs that offer universal access to all families would be an extremely effective use of taxpayer dollars. Programs that are limited to "at risk" families do not reach enough people and it is often implemented after the problems occurred. We need to take advantage of this important window of opportunity with babies and new parents. The recent brain research has indicated that a child's earliest development is an extremely crucial time. It is then that we can offer support and help to new parents to assure a more positive outcome for all parents and their children. Healthy, supported and nurtured children now means healthier, less disturbed, resource draining adults later. Which is more cost effective? We believe all of you know the answer to this question. Please support 1% for Prevention!

Sincerely,  
  
Jean Daute, Chairperson

608/757-5285 \* fax 608/757-5374

P O Box 1649 \* Janesville, WI 53547

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April 15, 1999

To the Members of the Joint Committee on Finance:

I am writing on behalf of Meriter Hospital to express my serious concerns with key health care funding provisions in the 1999 state biennial budget, and to request your support for affordable measures that will maintain the quality and accessibility of health care in Wisconsin.

Meriter is a not-for-profit, locally-governed community hospital located in Madison. During 1998, Meriter celebrated 100 years of providing health care services to Dane and surrounding counties in southern Wisconsin. Through its two locations, Meriter offers an extensive array of medical and surgical programs and services for inpatients and outpatients.

Meriter Hospital, Inc.  
202 S. Park Street  
Madison, WI 53715  
608 267-6000

#### Budget Concerns for Meriter

The proposed 1999 state budget would freeze medical assistance (MA) rates for care provided in Wisconsin hospitals, despite the fact that medical costs are projected to rise by 2.4 percent in the first year of the biennium and 2.6 percent in the second year. A small one percent increase is proposed in the budget for outpatient MA rates during the second year of the biennium.

The proposed budget also begins the first two years of a process to reduce the state's financial support for training of the physicians that Wisconsin needs today and in the future.

**By freezing MA rates and reducing medical education funding, the state will forego almost \$14 million in federal matching funds.** Every 40 cents that the state invests in medical education, for example, leverages a 60-cent federal matching contribution.

The MA rate freeze in the state budget also comes when Meriter and other Wisconsin hospitals are already bracing for significant cuts in Medicare payments under the federal Balanced Budget Act of 1997. These cuts began in Fiscal Year 1999 (FY 99) and will extend through FY 2002.

### Financial Impact on Meriter

**For Meriter, the combined effect of the freezes and cuts in state and federal programs would be \$8.5 million through 2002 – a tremendous burden for a community hospital.** Reductions of this magnitude will require modifications in our operations.

**Moreover, the proposed medical education cuts in the state budget would cost Meriter \$175,000 in the biennium.** These cuts also would have a disproportionate impact on Madison and Milwaukee, our centers of medical education and training for physicians in Wisconsin.

### Impact on Patients and Services

Funding cuts of this magnitude would have far-reaching implications for Meriter and the communities and patients we serve. Specifically, these cuts could only be dealt with by:

- **Eliminating or reducing important services in the community.** Meriter would be placed in an untenable financial position, threatening our ability to provide the patient services essential to fulfilling our mission as a community hospital. Specific services that would be placed at-risk for Meriter include chemical dependency rehabilitation, other behavioral service programs and selected community outreach programs.
- **Shifting costs to individual patients or employers who pay for health insurance.** Currently, MA payments reimburse hospitals for less than 80 percent of allowable costs. This creates a shortfall of almost \$80 million annually that is passed on to individual patients and employers – a shortfall expected to reach \$93 million by the end of the biennium.

### Affordable Budget Alternatives

Meriter joins the Wisconsin Health and Hospital Association and other hospitals in requesting your support for the following budget alternatives:

- **Item 1:** Provide inflationary increases of 2.4 percent in the first year and 2.6 percent in the second year of the biennium for MA reimbursement rates. Cost: \$7.1 million.
- **Item 2:** Restore state funding for medical education. Cost: \$2.5 million.

- **Item 3:** Preserve the provision that funds a medical assistance supplement for providers experiencing charity care increases as a result of welfare reform.  
Cost: \$2.4 million.

Thank you for your consideration on this very critical matter.

Sincerely,



Terri L. Potter  
President and CEO



**CHILD CARE  
RESOURCE  
& REFERRAL  
NETWORK**

*Making Child Care Work*

**Wisconsin Child Care Resource & Referral Network, Inc.**

[www.wisconsinccrr.org](http://www.wisconsinccrr.org)

**Home:** 519 W. Wisconsin Avenue  
**Office:** Appleton, WI 54911  
 920-734-1739 fax: 920-734-3887  
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April 15, 1999

**To:** Members of Joint Finance Committee  
**From:** Diane Adams, Coordinator, Wisconsin Child Care Resource and Referral Network  
**Re:** Testimony from Child Care Resource and Referral (CCR&R) agencies concerning child care items in the Governor's budget

As the Joint Finance Committee examines all tax and spending initiatives for the next biennium, it will be important to focus on the programs that impact most directly on children and families in this state. Nearly 100% of Wisconsin preschool children are enrolled in child care at some point in their lives before they attend public or private school. Child care has become a way of life for working families and a common experience for young children. There is almost no service for consideration in the state budget that is more pervasive than child care.

The Governor's proposed child care budget initiatives represent comprehensive policy thinking on services to the very young. Like other governors with competing interests in their states, Governor Thompson is attempting to accomplish two important goals for child care:

- a) to assure access to quality child care for low-income families and children through a subsidy system and
- b) to shore up the child care quality we have and make it better.

Each of these strands is critical if Wisconsin is to maintain its competitive edge as one of the "top 10 states for child care." The subsidy program is beginning to be understood by more and more working families as a place to turn for help with their third largest budget item: housing, taxes, and child care. This budget proposes to change some of the co-payment stipulations in the original W-2 plan, and make eligibility more in line with other services such as Badger Care. The child care subsidy program will eventually prove to be an important legacy, with now more than 26,000 children receiving a partial payment for child care. All parts of the "Wisconsin Shares" program should integrate to offer smooth access and accountability for families.

The second half of the Governor's child care budget (the quality initiatives) provide the undergirding of the child care system. Specifically, the local community planning for grants that improve both access and quality are increasingly important, as CCR&Rs document the continued need to sustain the existing supply of child care. Given our healthy economy and low unemployment rates, child care programs and providers can, and do, find other positions beside child care and leave the field. Thus, the need for sound community planning is critical, if we are not to lose ground.

-2-

The proposed "Early Childhood Excellence Initiative" if passed by the Legislature, would provide the state with a more solid research base concerning Wisconsin children, which is now lacking. These centers should draw on the expertise of existing quality programs and providers, and use all available talent to assure that the goals of high quality environments are met. Further, these centers should balance rural and urban sites, and guarantee maximum use of the dollars in low population areas.

The focus on compensation and training for child care providers in the proposed budget will help address the need for continuity in children's lives. The CCR&R Network documented a high turnover among child care programs in 1998, and we can assure you that - without more attention paid to such initiatives as the T.E.A.C.H. project -our child care worker supply will continue to dwindle.

Child care resource and referral (CCR&R) agencies stand ready to help implement these initiatives at the community level. CCR&Rs serve every single county, and work with every single licensed or certified child care program and provider. We recognize that there is a delicate balance in the "three-legged stool" of availability, affordability, and quality. The increased CCR&R allocation as proposed in this budget will help these community-based agencies offer their basic services of parent referrals/consultations, data documentation, and support for the child care system through training and information to new and existing providers. Healthy, safe child care will be enhanced by the funding for more licensing positions and through the Safe Child Care program. Each of these parts of the "Quality/Availability Initiative" will undergird early care and education in the state.

The challenge for the Joint Finance Committee is to accept these innovative child care measures, while assuring there is sufficient federal funding to help support them. Thus far, Congress is in a positive stance toward the states, helping each of them achieve the type of child care necessary for children's healthy development that meets state goals. We encourage you to accept the Governor's budget proposals for child care, knowing that the return on investment is going to be realized only as these children enter the elementary school system fully competent, and as their parents are able to be fully employed - with peace of mind that their children are receiving quality child care.

Thank you very much.

cc: Office of Child Care

April 15, 1999

Dear Member of Joint Finance Committee:

Thank you for this opportunity to express my support of the request from Choices for Independent Living, Inc., for \$80,000 for a locally controlled Independent Living Center in southwestern Wisconsin.

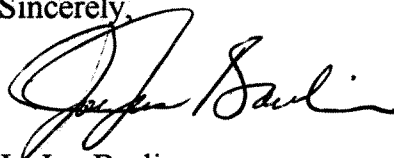
I am an active member of my community: Chair of the Hodan Center Board of Directors, member of the Iowa County Long Term Support Committee, member of Arc of Southwestern Wisconsin and now member of the Board of Directors of the newly formed Choices for Independent Living, Inc. At meetings and related events, I have heard from many people with disabilities who want an independent, locally controlled Independent Living Center in our area.

I can appreciate their desire, because for three and one-half years I was a member of the Board of Directors of the Great Rivers Independent Living Services, Inc., which is located in LaCrosse and covers thirteen counties including southwestern Wisconsin. All Board meetings were held in LaCrosse which for me meant a drive of approximately five hours for each meeting. It is no surprise that more than half of the Board lived in LaCrosse or the immediately surrounding area.

CHOICES for Independent Living, Inc., was formed by people with disabilities living in southwestern Wisconsin. It could provide locally controlled and locally accessible Independent Living Center services.

Thank you for your time and consideration. I would be happy to provide additional information or answer any questions you may have.

Sincerely,



JorJan Borlin

3300 Rohowetz Road

Dodgeville WI 53533

e-mail: jorjan@mhtc.net

phone: 608-935-3966

cc: Senator Dale W. Schultz  
Representative David Brandemuehl  
Representative Stephen J. Freese

# **We NEED THE FOLLOWING:**

## **CHOOSING COMMUNITY : PROGRAMS FOCUSED ON PEOPLE WITH DISABILITIES AND THEIR FAMILIES**

### **1. Changes in W-2 and SSI**

- Increase the Caretaker Supplement above the Governor's recommendation of \$150/month per dependent child to \$250/month for the first child and \$150/month for each additional child (cost = \$6.65 million of federal TANF dollars)
- Support the Governor's proposal to expand child care assistance program to include children age 12-18 with special needs or chronic health conditions who require supervision after school.

### **2. School funding**

- Retain statutory language directing the state to reimburse local districts at 63% of the actual costs of special education.
- Provide additional funding to increase the Categorical Aids reimbursement rate to local school districts to 40%.

### **3. CIP 1A**

- Increase rates to \$250/day in Yr. 1 for new placements from DD Centers to the community, which would enable up to 120 new placements/year.

### **4. CIP 1B**

- Increase to \$70/day rate for all new community placements; add 200 new slots each year. (GPR cost in Yr. 1 = \$1.1 million; Yr. 2 = \$3.2 million)

### **5. Brain Injury Waiver**

- We propose 75 new slots in Year 1 and 75 for Year 2, and restoration of the (recently-reduced) rate to its former \$180/day level.

### **6. Family Support Program**

- Fully fund the program, i.e., provide services to 2220 children on waiting lists. Total Cost: \$6 million/year

### **7. Birth to 3 Program**

- Fully fund the program.
- Provide \$2 million in Year 1 and \$2.5 million in Year 2 for a "Shortfall account" for counties.





# The League of Women Voters of Dane County, Inc.

2712 Marshall Court, Suite 2, Madison, Wisconsin 53705-2282

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E-Mail [lwvdc@chorus.net](mailto:lwvdc@chorus.net) • Web Page <http://danenet.wicp.org/lwvdc>

## STATEMENT TO THE JOINT COMMITTEE ON FINANCE REGARDING CARETAKER SUPPLEMENT FAMILIES

April 15, 1999

The League of Women Voters of Dane County strongly urges the Joint Committee on Finance to recommend in the 1999-2001 Budget a Caretaker Supplement for children of parents on SSI of \$250 for the first child and \$150 for each additional child, with an implementation date of July 1, 1999.

We appreciate the increase to \$150 for each child proposed in Governor Thompson's Budget, but know it will not adequately meet the basic needs of families headed by parents on SSI. An increase to \$250 for the first child will bring the families closer to the poverty level, and the additional income will help stabilize the families' living conditions. It will provide them, at least, with the opportunity to keep or find safe housing which meets the needs of the children and the parent's disabilities. Housing costs increase the most with the first child, which makes an additional supplement at this time critically important.

The Wisconsin Council on Developmental Disabilities 1998 Survey of parents on SSI documents that "the drop in income with the start of the Caretaker Supplement Program has placed families at risk for losing their housing, and for being unable to provide the basic necessities for their children." In Dane County alone, 32% (69) reported they were headed toward a housing transition due to inability to pay their rent.

Other indicators of the problems encountered by Caretaker Supplement families were demonstrated in a survey done by Joining Forces for Families of the Dane County Human Services Department in the summer of 1998. Of the 343 families receiving the Caretaker Supplement, 70% responded to the survey. The results:

- 36% are experiencing major problems of survival
- 94% are experiencing a reduced standard of living
- only 50% are receiving Section 8 housing, and there is a two year wait for subsidized housing
- 30% are having trouble paying utility bills
- 18% have had their phone disconnected (For many adults with disabilities, a phone is their major means of connecting with the outside world).

Parents feel that they are being punished for their disabilities, and the constant worry is affecting their health. The increase to \$100 per child per month did not relieve their financial worries because of the corresponding loss of food stamps. Nor does the League feel that an additional \$50 a month will be adequate.

The proposed increase of \$250 for the first child, and \$150 for each additional child will again provide the security lost for our most fragile Wisconsin families under the implementation of W-2, and the League urges the Committee to approve this increase.

April 15, 1999

Governor Thompson, Joint Finance Committee and all Members,

My name is Dianna M. Cole. I am from Iowa County, a small village called Avoca. I have brought with me, our newly elected Village President, Janet Perkins.

I have come here today to VOICE my opinion on an issue that I find very IMPORTANT, DAYCARE!" My concerns are Grant money for start-up of new daycares, and for the bettering of centers all ready in service. Such as Before and After school care.

We are in desperate need of QUALITY group daycare centers, especially in my area in Iowa County.

A quality center should provide FULL SERVICE CARE and have the childrens' best interest covered, as well as all the overhead costs, but yet be able to keep the rates down so parents can afford to use the service!!

I feel it is very important to set aside some monies to distribute grants. The start up costs are phenominal, mostly due to the regulations of the state, but all very much understood for the best quality care for our children.

If we are to get more centers up and running, and better the ones all ready in service, and yet keep it affordable for the parents, **YOU NEED TO HELP!!!!!!!!!!!!**

I would also like to make a couple of brief suggestions. May be it would be possible for you to make more information available on other monies that might be out there or something on the lines of the programs that you help fund like "Habitat for Humanity" and such, and instead of building homes, build daycare centers. Getting people to lend a hand is as easy as the asking.

Please consider my opinion on this matter, as I am in the process of opening a group daycare facility, and came here today with nowhere<sup>else</sup> to turn. I have been furiously working on this issue since mid December and am getting nowhere.

I would like to thank you for giving me the opportunity to come here and voice my opinion. I hope it matters, and I surely hope I have been

HEARD!!!! I've had to leave before I was able to speak, but would really appreciate you reading this.

Dianna Cole

or what about  
a reinvestment  
money. It's there  
let's find a use for  
it.

Dianna Cole  
P.O. Box 213  
Avoca, WI. 53506  
608-532-6854

Joint Finance Committee Mtg.  
Testimony 4/15/99

Annie Porter  
1213 S Midvale # B  
Madison, WI  
53711  
(608) 271-4287

Thank you for the opportunity to appear before your committee today. I would like to urge your committee to reconsider the governor's proposed funding cuts to Community Aids. Community Aids funds support the important and cost-effective work of many service programs which assist children, people with disabilities and older adults. As a Madison employee of an agency serving adults with disabilities, I am very concerned about these proposed cuts. If funding is not restored, Dane County will experience a 4% cut in community service funding. 4% does not sound like small potatoes to anyone doing this work. We know that we can't afford even a cut at this level. Such a funding cut fails to permit agencies to stay on top of inflation, and restricts the scope and quality of what they are able to accomplish. **The success of these programs rests in being able to assure the families and the community of the high quality of services people receive.** These programs provide jobs, as well, and in order to continue to be good employers, agencies receiving funding from Community Aids need to be funded at least at the rate of inflation.

But I would like to urge you today, not only to fund these programs at the level of inflation, but indeed to fund increases for Community Aids, and the highly successful CIP and COP programs. This is why.

My brother graduated two years ago from high school in Milwaukee. He has a disability and benefitted from Special Education programs while in school. He received support to help him get a job in the community. Some day he would like to move into his own apartment and get support services there. I believe that Milwaukee and other counties across the state need to have more funding to **expand and improve upon** their services to people with disabilities. In Milwaukee and elsewhere in the state, there are long waiting lists for people who would need support on the job or in their own homes. I know from working and living in Madison that there are some great model programs in the state doing good work to support people with disabilities. I believe we should be proud of these programs and make increased Community Aids funds available to do even more for all of our citizens with disabilities in the state.

Thank you.

which are well administered  
& hold workers accountable

in  
Madison:  
16 Options in Community Living  
Family Support & Resource Center  
Community Work Services

**JOINT FINANCE COMMITTEE TESTIMONY**  
**APRIL 15 1999**  
**RICHARD SICCHIO**  
**NORTHERN AREA AGENCY ON AGING**

My name is Richard Sicchio. I am the Director of the Northern Area Agency on Aging. The Northern AAA region includes twenty-three counties and seven tribes in northern Wisconsin.

I would like to thank the members of the committee for providing this and other opportunities for myself and others to testify on issues that are of importance to those we are entrusted to serve.

I will make these comments as brief and to the point as I can.

There are three areas of the budget that I would like to comment about.

The first is the Family Care Proposal.

I have had considerable involvement with the development of the proposal over the past three years. I attended several of the regional meetings held by the department to gather input for the original draft.

I attended a "stakeholder" meeting with Secretary Leann to discuss the problems with the first draft and make suggestions for the revised proposal,

and I served on the Advocacy workgroup that submitted recommendations to the redesign executive committee that resulted in the advocacy appropriation that is part of the budget proposal.

**I believe that the redesign of the long-term care system is the single most important issue that has been debated in my 25 years in the Wisconsin aging network.**

**The terms "home care entitlement" "consumer choice" and "eliminating institutional bias" are truly music to my ears.**

In the past months the Family Care proposal seems to be coming under attack from many sides. While most people seem to agree on many of the basic principles, like pooling all long term care resources, allowing consumer choice, and developing resource centers,

everyone also has found one or more aspects of the proposal that they don't like. Collectively these negative positions are threatening to derail a plan that almost everyone agrees is sorely needed and downright essential to the entire future of long term care in this state.

I urge you today not allow this initiative to wither on the vine. All the reasons that were the initial impetus to embark on this venture are still here. They have not gone away.

We **have** a documentable institutional bias in this state.

Our Medicaid expenditures **are** going through the roof and that **will** bankrupt our system if we do not address this issue now.

It's **only** going to get worse if we stand by and do nothing.

We **should** level the playing field and let those wanting long-term care in their home have the same entitlement that those who get it in an institution have.

We **need** a home care entitlement. People **need** choice. **Every** county and tribe needs resource centers. These basic principle should become part of a system in Wisconsin to prepare us for the onslaught that will be brought upon us by the aging of the population.

**Fund** the pilots as the department proposes.

Let the department do **all** it can to help the pilots succeed.

Then study the results.

Fine tune the program.

And go on from there.

We **can** figure out how to do this. We have to.

Quickly, the other issues are:

Home delivered meals.

A nutritious home delivered meal is really the front line defense in the battle to control long-term care expenditures. All other things being equal, people who are not eating right will need long term care services sooner than those who are eating regular balanced meals.

The number of home delivered meals provided by the aging network went from 1,285,000 in 1986 to 2,562,000 in 1997.

The funding has been almost stagnant during that time.

There is no program anywhere where you get more bang for your buck.

**This program desperately needs more funding to keep pace with the growth in the very old and frail population.**

**And lastly, Transportation**

**The budget includes only a 3% increase in the Elderly and Disabled Transportation Program.**

**That is not enough.**

**The needs are much greater.**

**Roads and bridges are important.**

**So are people with transportation needs.**

**We could use a little more balance.**

**Thank you**

April 15, 1999

To: Senator Brian Burke & Representative John Gard, Co-Chairs  
Members, Joint Committee on Finance

From: Lynn Breedlove, Executive Director, Wisconsin Coalition for Advocacy  
Fred Greasby, Chair, State Independent Living Council  
Jayn Wittenmyer, ARC-WI  
Fran Bicknell, Autism Society of WI

Subject: Issues affecting Wisconsin citizens with disabilities in the 1999-2001 biennial budget bill

Our organizations represent all the major disability populations in Wisconsin: people with developmental disabilities, people with physical disabilities, and people with serious mental illness. We are also speaking on behalf of the Survival Coalition of statewide disability organizations.

We will focus on two major areas:

- The overall discouraging picture of this budget as it relates to community services for people with disabilities
- The current position of disability groups in response to the Governor's proposal for Family Care

**A. The overall discouraging picture of this budget as it relates to community services for people with disabilities**

The general consensus among disability groups in Wisconsin is that this budget, taken in its entirety, is a major setback to the efforts of the last several years to strengthen the community service system which supports people with disabilities to live in their own homes and their own communities. For the first time in recent history, there are no community services for people with disabilities which are proposed for an increase in either rates or in the number of people to be served. This includes the Community Options Program, both the Community Integration Programs 1A and 1B, the Brain Injury Waiver Program (which provides an alternative to hospitalization for individuals with a traumatic brain injury), the Family Support Program, and the Medicaid Personal Care Program. There is no provision for dealing with current waiting lists for any of these programs, nor the projected increase in demographic growth which will add new demands on these programs in the next biennium.

On top of this bad news, Community Aids, which is a crucial funding source for many disability and mental health services, has actually experienced a major cut. We have already

received specific reports from Milwaukee, Racine, Kenosha, Dane, and Waukesha Counties regarding the cuts in community services which will take place in their counties as a result of the loss of Community Aids. As you may know, there will be a disproportionately large effect of this cut in Milwaukee County, as a result of the state's unusual method of calculating how the cuts would be applied in Milwaukee.

As advocates for people with disabilities, it is difficult for us to know where to start in attempting to make this budget more disability-friendly. Frankly, we would appreciate the help of the Joint Finance Committee on any of these fronts. We believe a restoration of the lost Community Aids dollars is absolutely crucial. But we also are confounded by the possibility that this biennial budget would be the first one in the history of the Community Options Program in which there is no growth in that program. Ignoring the Community Integration Programs will have the predictable result of closing the door on any persons with disabilities in state, county, or private institutions who could live appropriately in the community at a lower cost to the taxpayer.

We have attached a chart which summarizes the overall devastating picture for people with disabilities if this budget is not changed.

**B. The current position of disability groups in response to the Governor's proposal for Family Care**

1. We support the Governor's proposal to continue "pilot" projects in Redesign and to increase the number of pilots. However we believe that the pilots should really be pilots (and not the first stage of phase-in of a statewide model), which means that we would ask the Legislature to change proposed statutory language so that such language is limited in its impact to implement pilots and not set the stage for full statewide implementation.
2. We also believe, in the spirit of "piloting" different models, that the Legislature should specifically indicate that all pilot counties would have the opportunity of selecting the Alternative Model which has been developed by disability groups, counties, and aging groups (see attached summary description), in addition to having the choice of the DHFS model.
3. We believe that the performance of all pilots should be evaluated by an independent third party to ensure an objective analysis.
4. We also believe that all long term care populations should be included in the planning for Long Term Care Redesign, i.e., we are opposed to Secretary Leean's position that people with developmental disabilities should be excluded from the reform of the long term care system.

The impetus for developing an alternative model grew out of the concern shared not only by disability groups but also by counties that the state appeared to be moving in the direction of privatizing the long term care system in Wisconsin, which historically has been the responsibility



of county government. We do not believe that there is a strong consensus of the citizens of Wisconsin to exclude local government from long term care, and in fact we believe there are many people who like the idea that local elected officials are (and will continue to be) accountable for overseeing the quality of a locally run long term care system. The Department cannot ensure that counties would be able to run the system in the context of the DHFS model; in fact they have specifically indicated their strong interest in opening up the competition for this role to the private sector. The alternative model would clearly continue the role of counties as the coordinating body for the provision of long term care in every county.

## THE DISCOURAGING BIG PICTURE FOR PEOPLE WITH DISABILITIES IN THE GOVERNOR'S BUDGET

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- Community Aids Program → Governor's budget reflects an \$18 million overall cut in Community Aids
- Community Options Program → Governor proposes no new COP slots for demographic growth or waiting lists in the 1999-2001 biennium
- Community Integration Program 1A → Governor proposes no increase in rates -- lowest projected # community placements from the State DD Centers in history of CIP1A
- Community Integration Program 1B → Governor proposes no rate increase and no new slots in either year (unless ICF/MR's close existing beds)
- Brain Injury Waiver Program → DHFS recently reduced the per diem rate. No new slots and no rate increase proposed for Yr. 1 or Yr. 2
- Family Support Program → Governor proposes no rate increase and no services for families on waiting lists
- Medicaid Personal Care → After a combined total increase of 45 cents/hour during the last 9 years, and some personal care agencies going under during that time, Governor proposes 1% rate increase
- Mental Health/AODA Managed Care Initiative → After 3 years of planning, DHFS & Blue Ribbon Commission on Mental Health propose 8 demonstration sites for the new model of mental health services; Governor cuts it to 2 sites.

## **LONG TERM CARE REDESIGN: AN ALTERNATIVE MODEL TO TRY IN THE PILOT PHASE**

The Wisconsin Department of Health & Family Services has begun the process of piloting one model of LTC Redesign: a risk-based managed care approach which will require special federal approval and will offer the private sector an opportunity to compete against county governments for the right to run the LTC System at the local level. Statewide disability and aging organizations have joined with the Wisconsin Counties Association to develop an Alternative Model, which we believe should also be piloted in multiple counties. Then there should be an independent evaluation of all the pilots, before the legislature makes a binding decision on which model to implement statewide.

The Alternative Model is simple – it's based on the premise that we can achieve the LTC reforms we all want by building on the current system, which would be preferable to blowing up the current system and starting over. The Alternative Model aims to achieve the same goals the Department has identified: simplify the system, pool the funding streams, include all the populations that need long term care, end waiting lists and the institutional bias of the current system, and provide consumers more choice.

The big difference between the two approaches is in how to achieve these goals. The Alternative Model would continue the 100 year tradition of county-based human services in Wisconsin, enabling consumers and families to continue their existing relations with county workers and with local elected officials who oversee the system. This model would also expand and consolidate the Community Options Program with other effective existing community programs, rather than eliminate good programs simply because they are underfunded.

### **Key Features of the Alternative Model:**

- Existing Medicaid waivers programs (e.g., COP and CIP) would be consolidated and expanded to serve people on waiting lists, with rates increased to cover actual costs. Statutory responsibility of counties (as in Chapter 51 for people with developmental disabilities) would be broadened to include elderly people and people with physical disabilities.
- As in Oregon's LTC Reform, a) Wisconsin would need no additional federal waivers beyond the standard Home and Community Based Waiver we already have, and b) Wisconsin would assure the same eligibility and entitlement for community-based long term care as for nursing home care.
- The Alternative Model will cost no more than the Department's model, and counties would continue to invest local tax dollars in the system. The core funding is the same federal-state matching funds for both models, eligibility is the same, and neither model proposes a more expensive package of individualized services than the other.
- The Alternative Model includes many of the features of the DHFS model: pre-admission screening for institutions; Resource Centers; a consumer-directed support option; outcome-based quality assurance; continuity of service; independent advocacy; and an opportunity for people currently in institutions to move out and receive community services.

April 15, 1999

Testimony to the Joint Finance Committee  
Regarding the Governor's Proposed Biennial Budget

Good afternoon, Senators and Representatives. Thank you for allowing me the time to express thoughts and concerns about the Governor's proposed biennial budget.

My name is Shelley Rashke, and I am a Regional Director for REM-Wisconsin, Inc. My organization provides assisted living and day services for people with developmental disabilities. I am here today as the Co-Chair and representative of the Dane County Purchase of Service Providers Advisory Committee. Membership consists of representatives from coalitions and consortia in a cross-section of human service fields. We provide services for our most vulnerable citizens, including frail elderly, people with developmental, physical, and mental health disabilities, individuals with substance abuse issues, and families and children in need.

I am here to let you know the impact the governor's proposed budget will have on real people in Dane County. Human Services will face a total reduction of 2.6 million dollars, due to cuts in federal and state revenue combined with modest cost of living increases. How does this effect people?

12 people with developmental disabilities would lose their home and services in the community. 4000 meals for frail elderly people will not be served. 23 people with serious and persistent mental illness will lose their homes or assistance. 10 at risk families will not receive services, and their children will be abused or neglected. 15 people with physical disabilities will lose their homes. 54 people with disabilities will lose transportation (possibly resulting in losing their jobs). 67 families will lose services that enable them to take care of their children with disabilities at home. 410 people will not receive alcohol and drug treatment and early intervention services. 158 people with disabilities and at-risk youth will lose job training, education, and day services which help them to become contributing citizens. 87 elderly people will not receive needed assistance to remain in their homes or to help with progressing dementia. These are only some of the realities people in Dane County will face if the governor's proposed budget stands as it is. These probabilities only reflect what would happen to people in Dane County. You must multiply this tragedy across every County in the State to get a true picture. This doesn't even consider the hundreds of people who are currently waiting for necessary services. We don't have choices. There won't be decisions about which needy group is "most needy". We can't pit one disability group against another, to see who's got a stronger advocacy contingent. As an Advisory Committee representing all needy populations, we come with common concerns. All these reductions would happen, and more. Do you know anyone who is elderly, has a disability, struggles with addictions, or has children with problems? Please, put a face to these numbers.

You may think, so what, a couple people don't get some services. Well, what will happen to these real people? Will they become homeless? Will children be taken away from their families? Will frail elderly and other vulnerable people be exploited?

We are talking about basics of food, shelter, health and safety. We have an obligation to our most vulnerable brothers and sisters. The alternative to assisted living in the community is

institutional care. This is certainly less human and dignified. But, it is also much more expensive. The money it takes to help someone live in the community is significantly less than any type of institutional setting. These funds also come from taxpayers. We are all taxpayers. I for one, as well as many people with whom I have spoken, would gladly forego \$30 and change in a tax cut to preserve these essential human services. We can not lay the cost for necessary services on the backs of property tax payers.

In summary, I urge you as our elected voice, to adequately support local human service departments to carry out State mandated services. We need you to ensure adequate revenues from Community Aids, Medical Assistance Waiver Programs (CIP), Income Maintenance Administrative Allocation, Intergovernmental Transfer Program Revenues, and Medical Assistance Rates. Dane County Executive, Kathleen Falk, has outlined a number of ways the State can meet vital human service needs, through funding and policy changes. Our State has a strong economy. Our State needs to have an equally strong conscience.

Thank you for your attention and consideration.

Shelley K. Rashke, Co-Chair  
Dane County Purchase of Service Providers Advisory Committee  
Mailing Address: Shelley K. Rashke, Regional Director

REM-Wisconsin, Inc.  
1317 Applegate Road  
Madison, WI 53713  
(608) 276-0102

With Representation from Dane County:

Developmental Disabilities Coalition  
Children-Youth and Family Consortium  
Elderly Services Network  
Children's Mental Health Consortium  
Adult Mental Health Consortium  
Alcohol and Other Drug Abuse Consortium  
Homeless Services Network



Middleton Public Library • 7425 Hubbard Avenue • Middleton, WI 53562  
Paul Nelson, Director • 608/831-5564

**Testimony of Paul Nelson  
Director, Middleton Public Library  
to Joint Finance Committee  
Thursday, April 15, 1999**

My name is Paul Nelson, and I am the director of the Middleton Public Library. I also am here on behalf of the South Central Library System, of which my library is a member, and the Wisconsin Library Association, for which I serve this year as Past President.

**UW Library Collections and BadgerLink**

First of all, I am pleased that Governor Thompson has included funds in his state budget to increase the materials budget for UW libraries. I sincerely hope that you will support this request. I also ask that you support the Governor's proposal to fund BadgerLink with funds from the TEACH Wisconsin's telecommunications access program. The BadgerLink databases have quickly become an important component of the service program of all Wisconsin's libraries. I ask you to please support this initiative.

Now to the more difficult part of my testimony, asking for General Purpose Revenue funds when you'll probably tell me there just isn't any money available. But let me persist.

**Public Library System Aids**

An increase of \$11,385,900 for public library system aids over the next biennium might seem extreme, but I assure you this will be money well-spent, the benefits of which will be felt throughout the entire state. System funds provide a wide range of services in a cost-efficient manner to Wisconsin residents through their local libraries. In 1998, the legislature passed and the Governor signed SB 269 (Act 150), which required the Department of Public Instruction to request funding for library systems at 13% of local and county expenditures for public library service. I ask you to support the DPI request for this increase in public library system aids.

**Statewide Library Service Contracts**

The Department of Public Instruction contracts with the Regional Library for the Blind and Physical Handicapped, Wisconsin Interlibrary Services, the Cooperative Children's Book Center, and the Milwaukee Public Library to supplement materials in local Wisconsin libraries. Through these contracts, citizens of our state have access to over 16 million titles. Avoiding unnecessary and costly duplication of services at the

local level is an important result of these contracts. I urge you to support the modest increase (\$111,900) in these service contracts.

#### **Local Impact**

The availability of BadgerLink has already strengthened the service program of the Middleton Public Library. Additional funds for public library systems will have a similar effect, especially in the areas of library automation, sharing of resources, physical and electronic delivery of materials and information, and, ideally, open access to all of the public libraries in our state. Additional dollars for the service contracts allows Middleton to continue to meet the special service needs of our customers.

Please give these requests serious consideration during your final deliberations on the 1999-2001 budget. Thank you for taking the time to read this testimony.

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## **Coalition of Wisconsin Aging Groups**

### **Testimony Presented to the Joint Committee on Finance**

**April 15, 1999**

**By Thomas L. Frazier**

The third component of CWAG's Mission is to affirm that older persons are partners in building the Wisconsin of tomorrow for people of all ages. To that end, our Board has adopted a policy platform that calls attention to issues that also face children and parents. You will likely hear testimony today that describes in greater detail each of these issues. However, CWAG would like to express its support for these initiatives.

In November 1998, CWAG joined the SSI Parents Coalition; a broad based coalition of individuals and organizations concerned with the affects of the Caretaker Supplement Program on families headed by a parent with a severe disability. As you know, since January 1998, parents who receive SSI have had support for their children significantly reduced. The result of this reduction of support to children has been devastating to many families, resulting in lost housing, frequent moves, disruption in the education of their children and an overall decline in the standard of living and quality of life for both the parent and child. In addition, these parents have been put in a double bind; support for their children was drastically cut under welfare reform yet because the parent receives SSI they are ineligible for W-2 services.

The SSI Parents Coalition has put forth six recommendations related to the Caretaker Supplement Program. I have attached a copy of those recommendations to your copy of my testimony. As a member of the steering committee that developed the recommendations, the Coalition of Wisconsin Aging Groups supports all six of the recommendations. We encourage this committee to support these proposed changes to the Caretaker Supplement Program.

The state's Truth in Sentencing bill, passed in June 1998, directs the Department of Health and Family Services to submit a budget request for funding child abuse prevention efforts. Funding is to be at an amount equal to or greater than 1% of the Department of Corrections budget. CWAG is in agreement with organizations like One Percent Now and Prevent Child Abuse Wisconsin that are calling for the equivalent of 1% in new funding to go toward family support projects and primary prevention programs. This initiative should include increased funding for home visiting programs, which, according to follow-up studies reported on by the Office of Juvenile Justice and Delinquency Prevention, have proven effective in reducing child abuse, neglect and delinquency.

Access to dental care is an issue that affects people regardless of age. Unfortunately, people on Medical Assistance often have a difficult time accessing dental care because few dentists statewide are enrolled in the program. The Governor's budget includes an



increase of 10% in Medicaid dental reimbursement rates in FY00 and an increase of up to 10% in FY01. If implemented, the increase in reimbursement will likely encourage more dentists to enroll as providers the Medicaid program, thereby increasing access to dental care for people of all ages who receive Medical Assistance. We applaud this increase and hope that you too will support it.

# IMPROVING THE CARETAKER SUPPLEMENT PROGRAM FOR PARENTS WITH DISABILITIES AND THEIR CHILDREN

## Recommendations endorsed by the SSI Parent Coalition Steering Committee

March 1, 1999

**Background Information:** Over 10,800 children in 5,547 Wisconsin families headed by a parent with a severe disability have been harshly affected by the reduction in family income resulting from the Wisconsin Works (W-2) Program. Prior to W-2, low-income parents with severe disabilities received Supplemental Security Income (SSI) for themselves, and a child-only AFDC grant for their dependent children. Since January 1, 1998, they have had their income for their children significantly reduced. Families are in crisis and report that they are unable to pay their rent, feed their family or pay basic living expenses. Parents state that they are unable to do anything for their children, that they feel they are being punished for their disabilities, and that the constant worry is affecting their health. The severe disability of the parent limits their ability to bring in extra earnings for their family.

**Current Status:** The families headed by a parent with severe disabilities currently receive from the Caretaker Supplement program \$100/month per dependent child. The Governor's Budget includes an increase in the Caretaker Supplement to \$150/month per dependent child. The increase would occur on October 1, 1999 or later if the budget passage is delayed past that date.

### SSI Parent Coalition Steering Committee Recommendations:

#### 1. PROVIDING FAMILIES WITH A LIVABLE INCOME:

The Governor's budget recommendation to increase the Caretaker Supplement is a strong step towards providing families with a livable income. In trying to determine a reasonable supplement for the care of dependent children, the steering committee of the SSI Parent's Coalition endorses an allocation of \$250 for the first child and \$150 for each additional child. The cost of the additional \$100/month per family (\$1,200 per year) would be approximately \$6.65 million of federal TANF dollars. If the Caretaker Supplement were raised to \$250 for the first child, and \$150 for all other children, the income of the families would be closer to the federal poverty level.

#### Monthly Income for a Single Parent on SSI\*

Number Of Children	Income before 1/1/98: Parent's SSI & Maximum AFDC for the children	Current Income: Parent's SSI & \$100/month per child	Governor's Proposal: Parent's SSI & \$150/month per child	SSI Parent Coalition's Proposal: Parent's SSI & \$250/month for first child & \$150/month for additional children	Federal Poverty Level for a single parent family
One	\$ 823	\$ 684	\$ 734	\$ 834	\$ 904
Two	\$1,014	\$ 784	\$ 884	\$ 984	\$ 1,138
Three	\$1,091	\$ 884	\$ 1,034	\$1,134	\$ 1,371
Four	\$1,191	\$ 984	\$ 1,184	\$1,284	\$ 1,604
Five	\$1,283	\$ 1,084	\$ 1,334	\$1,434	\$ 1,838

\*This does not include food stamps or housing assistance. For every dollar increase in income, there is a reduction of \$0.30 in food stamps. Most SSI parents are not on housing assistance.

**Comparison of Family Income of SSI and Grants for Dependent Children  
to the Federal Poverty Level**

Federal Poverty Level	AFDC	\$ 100/child	\$ 150/child	\$ 250/first child \$ 150/additional children
\$ 904/month for a single parent household with one child	- 8.96%	- 24.34%	- 18.19%	- 7.74%
\$ 1,138/month for a single parent household with two children	- 10.87%	- 31.11%	- 22.32%	- 13.53%

**2. PROVIDING ALL W-2 SERVICES (EXCEPT A CASH GRANT) TO CARETAKER SUPPLEMENT FAMILIES:**

Interviews with 374 families conducted by the Wisconsin Council on Developmental Disabilities indicate that 80% of the parents on SSI would like to work if work disincentives were removed and if there was the opportunity for work that took into consideration their disability. This would include flexible and part-time work options.

Beside the grant at the CSJ and W-2 T levels, the W-2 agencies offer other services to help parents become employed. Life skills training helps provide the basic foundation to enable the parents to "understand and manage daily life and family stress in order to succeed in the workplace". Examples of life skills training from the W-2 work manual include: budgeting; problem solving/decision making skills; family nutrition/household management; time management; etc. Other W-2 services are childcare assistance, transportation assistance and job search assistance activities. Parents on SSI could benefit from these programs and from other opportunities for service coordination.

**3. EXPANDING ELIGIBILITY FOR W-2 CHILD CARE ASSISTANCE TO PARENTS ON SSI WHILE THEY ARE LOOKING FOR WORK OR PARTICIPATING IN EDUCATION OR TRAINING**

W-2 child care assistance is an economic necessity for low income parents wishing to work. However, SSI parents are ineligible for such assistance while they are looking for work. Only those participating in the W-2 program or in the food stamp employment and training program are currently eligible.

In addition, SSI parents are not eligible for child care assistance while in educational or training programs unless they have a 9-month work record and then continue to work while in training. Only W-2 participants are eligible for such care without a prior work period.

**4. INCLUDING IN THE CARETAKER SUPPLEMENT PROGRAM, FAMILIES HEADED BY A PARENT ON SSI, LIVING WITH HER/HIS MINOR CHILD WHO HAS A CHILD OF HER OWN.**

The W-2 disability hotline and advocacy agencies in Milwaukee report special problems for families headed by a grandparent on SSI. If a minor parent and her child are living with the child's grandparent, and the grandparent is on SSI, the family is eligible for only a single Caretaker Supplement of \$100 per month. There is no additional money to help care for the infant. The family is not eligible for a kinship care payment nor is anyone eligible to participate in W-2. This family should at least be eligible for a Caretaker Supplement for the infant to help meet the many additional costs incurred for having a baby in the home.

**5. ENSURING THAT FAMILIES LIVING AT THE SSI BENEFIT LEVEL RECEIVE MONTHLY CASH ASSISTANCE FOR THE CARE OF THEIR DEPENDENT CHILDREN**

To receive a Caretaker Supplement, a parent must also receive an SSI cash payment. If a parent is temporarily removed from SSI, she or he will also not receive cash for their dependent children. The Wisconsin Council on Developmental Disabilities has heard from families who temporarily lost their SSI cash assistance due to an increase in income due to work or other reasons. For example, parents on SSI who are able to do limited work can lose their SSI in three-pay period months (compared to two-pay period months). One mother wrote that in December she lost both her SSI cash and her Caretaker Supplement because she was underpaid by \$5.00 a month for social security income from the death of her mother. By giving her a makeup check of \$55 in November, she became ineligible not only for the state portion of her SSI (\$83.78), but also her \$200 Caretaker Supplement payment.

The problem of parents temporarily losing their Caretaker Supplement highlights another problem. In 1996, Wisconsin SSI recipients lost eligibility for the state SSI supplement (\$83.78) if their income put them over the federal SSI limit (\$500 in 1999). They were made ineligible for a whole or partial state SSI payment that would have brought their income up to the 1999 state SSI income limit of \$583.78. When the Caretaker Supplement program was enacted, these parents were also ineligible for the Caretaker Supplement, greatly compounding the inequity.

The children in both these types of families need the financial assistance provided by the Caretaker Supplement program. This can be achieved by providing a Caretaker Supplement to all parents based upon their eligibility for SSI-related MA, rather than the receipt of SSI cash assistance. Parents would then not lose their eligibility for the Caretaker Supplement benefit if they were either ineligible for SSI because of the 1996 law, or were temporarily ineligible for SSI because of an extra income month.

**6. USE 100% TANF (TEMPORARY AID TO NEEDY FAMILIES) DOLLARS TO PAY FOR THE CARETAKER SUPPLEMENT**

The Caretaker Supplement is currently funded from a combination of TANF dollars and state GPR, the latter to meet the SSI maintenance of effort (MOE) requirement. But SSI funds are intended for people with disabilities and the elderly, not their non-disabled children. Furthermore, the state has a huge surplus of TANF funds, a portion of which could be used to fund the caretaker supplement.

SSI recipients have not received an increase in the state SSI benefit (\$83.78 for an individual) since 1996, while the federal SSI benefit has increased by a small cost of living adjustment (COLA) each year. That means that SSI recipients have seen their living standard sink further and further below the federal poverty level. (SSI for one adult is \$583.78 compared to a poverty level of \$670.83.)

Using TANF money to fund the Caretaker Supplement would mean that the state's MOE money would be available to increase support for the state's elderly and disabled population. It is our understanding that Wisconsin is the only state using state SSI dollars to provide for the children of SSI parents instead of TANF dollars.

For more information, contact Caroline Hoffman ([hoffmcp@dhfs.state.wi.us](mailto:hoffmcp@dhfs.state.wi.us)) or Jennifer Ondrejka ([ondrejm@dhfs.state.wi.us](mailto:ondrejm@dhfs.state.wi.us)) at the Wisconsin Council on Developmental Disabilities, (608) 266-7826, (608) 267-3906 FAX.

## Member agencies of the SSI Parents Coalition:

(Steering Committee Members are in bold type)

March 1, 1999

Access to Independence-Deaf and Hard of Hearing Services  
Alliance for Deaf, Deaf-Blind & Hard of Hearing  
American Lung Association  
Appleton Housing Authority, Homeowner Program  
**The ARC-Wisconsin**  
**Arthritis Foundation-Wisconsin Chapter**  
Association of Women's Health, Obstetric and Neonatal Nurses (AWHONN)  
Autism Society of Wisconsin  
Brain Injury Association of Wisconsin  
Children's Health Alliance of Wisconsin  
Client Assistance Program  
**Coalition of Wisconsin Aging Groups**  
**Community Action Coalition**  
Dane County Human Services  
Easter Seals-Milwaukee County  
Easter Seals-Wisconsin  
Family Resource Center, Prairie du Chien  
**Hunger Task Force of Milwaukee**  
Independence First  
Lakeshore CAP  
League of Women Voters of Wisconsin  
**Lutheran Office for Public Policy in Wisconsin**  
**Madison Urban Ministry**  
National Alliance for the Mentally Ill-Wisconsin (NAMI-WI)  
National Association of Social Workers-Wisconsin  
National Multiple Sclerosis Society-WI Chapter  
National Spinal Cord Injury Association-Madison Chapter  
Parent Education Project of Wisconsin  
Rehabilitation for Wisconsin  
**State Independent Living Council**  
State Rehabilitation Council  
Supported Parenting Projects-UW-Madison Extension  
United Cerebral Palsy of North Central Wisconsin  
**United Cerebral Palsy of Southeastern Wisconsin**  
United Cerebral Palsy of West Central Wisconsin  
**United Cerebral Palsy of Wisconsin**  
United Methodist Church, Wisconsin Conference, Board of Church and Society  
Wisconsin Coalition for Advocacy  
**Wisconsin Coalition of Independent Living Centers**  
**Wisconsin Committee to Prevent Child Abuse**  
**Wisconsin Council on Children and Families**  
**Wisconsin Council on Developmental Disabilities**  
Wisconsin Council for Persons with Physical Disabilities  
Wisconsin Facets, Inc  
Wisconsin Interfaith IMPACT  
Wisconsin Intergenerational Network  
Wisconsin Rehabilitation Association

# DISTRIBUTION BY COUNTY OF CARETAKER SUPPLEMENT FAMILIES AND CHILDREN

Map prepared by the Wisconsin Council on Developmental Disabilities  
with data provided by the Department of Health and Family Services  
January 1999



TOTAL NUMBER OF CARETAKER SUPPLEMENT FAMILIES: 5,547  
 (TOTAL NUMBER OF CHILDREN IN CARETAKER SUPPLEMENT FAMILIES: 10,820)

April 15, 1999

To the Joint Finance Committee:

Representative Gard, Senator Burke -- thank you for the opportunity to speak regarding the proposed 1999-2001 State Budget.

My name is Bob Israel and I am here on behalf of United Faculty and Academic Staff, Local 223 of the American Federation of Teachers at UW-Madison and UW- Extension.

The proposed Fiscal Year 1999-2000 Budget is significant not only for what it allocates for the next two years but also for what it means for the future, a future in which Wisconsin's longstanding commitment to higher education will be eclipsed by the costs of keeping people in prison -- here and elsewhere, for profit and not -- largely without rehabilitative programs.

As for the University of Wisconsin System, in the last ten years the State's share of the total budgets has dropped from 37.21% to 33.75%; in 1980 the UWS accounted for 14.4% of the State of Wisconsin's budget and now it is less than 9%.

As for the near future, the proposed 5.2% annual increase for faculty and academic staff salaries is well below what is needed needed to compete with peer institutions to attract qualified candidates -- a problem that will be exacerbated as many older professors come to retire.

But the worst part is that even this inadequate increase is to be funded on the backs of students and their families -- by tuition increases that will once again outpace inflation. As a result, higher education threatens to slip beyond the reach of the children of working families. Last year the average UW student graduated \$14,201 in debt, an increase of 6-1/2% in one year. We can expect this to get worse.

For the University of Wisconsin to be restored to its pre-eminence, for a world class university education to once more be available to all qualified high school graduates in Wisconsin, we can no longer afford to tie salary increases to tuition increases without at least making scholarships and grants available dollar for dollar.

Looking at it another way, if UW tuition were free for Wisconsin residents, the cost to the taxpayer for one person's four year college degree would be barely more than half of one inmate's four year sentence. That's two baccalaurates for the price of one prison-hardened ex-con. The sad truth is that our priorities have been so badly skewed for so long that even the proposed increases for UWS barely begin to address the consequences of many years of neglect. Look to the proposed budget for higher education as an asset to build on, not a cost to cut.



# DANE COUNTY

**Kathleen M. Falk**  
County Executive

## Lakes & Watershed Commission

**Susan A. Jones**  
Watershed Management Coordinator

April 15, 1999

Senator Brian Burke, Co-Chair  
Joint Finance Committee  
Room 316 South  
State Capitol  
Madison, WI 53707-7882

Representative John Gard, Co-Chair  
Joint Finance Committee  
Room 315 North  
State Capitol  
Madison, WI 53708

Dear Senator Burke and Representative Gard:

I appreciate the opportunity to comment on lakes and watershed initiatives in the Governor's Budget on behalf of the Dane County Lakes and Watershed Commission. We strongly support two items in the Governor's proposed budget.

The first is the Wisconsin Waters Initiative, supported by the Governor at the level of 7 positions and \$596,500 over the biennium for waterway protection information technology. Funding this initiative is vital to Dane County for several reasons: our development pressure and the demands it places on county and state staff, the need for up-to-date water resource information on which to base our decisions, and the protection and restoration of our lakes, streams, and wetlands on which a significant sector of our economy depends. While we greatly appreciate the Governor's willingness to fund 7 positions, we support staffing this initiative at 12 positions, as requested by DNR. With the 5 additional positions there is a better chance that DNR staff assistance with our shoreland, wetland, and floodplain zoning decisions will be enhanced; and that better service will be provided to Dane County landowners and developers with state navigable waters permitting.

The second item that we strongly support is the Rivers and Streams Grant Program, as enhanced by the Shibilski/Cowles amendment. Together, these would provide \$400,000 per year for two years to bring DNR, the university community, and nonprofit organizations together to protect our rivers. They would also fund a Rivers Coordinator position in DNR to assist us and others on

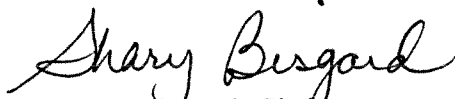




rivers issues and create a small watershed center at UW-Stevens Point, modeled after the very successful lakes program at UW-Stevens Point. Dane County has 475 river and stream miles, and 14 miles of the Wisconsin River, and the new rivers program would help us protect these resources.

Thank you for considering our comments.

Sincerely,



Shary Bisgard, Chair

Dane County Lakes and Watershed Commission

c: Joint Finance Committee Members  
Dane County Lakes & Watershed Commission Members



"For these are all our children . . .  
we will all profit by, or pay for,  
whatever they become." James Baldwin

Testimony before the  
JOINT COMMITTEE ON FINANCE

April 15, 1999

Carol W. Medaris, Project Attorney  
Wisconsin Council on Children and Families

These comments are directed toward selected provisions in AB 133 which will particularly affect low-income families. Along with these comments the Council is submitting a list of changes to W-2 which we believe will result in a program which will better serve low-income families. The latter changes, appearing on our newest W-2 Watch paper, have been developed with other members of The Policy Group on Welfare Reform, a coalition of statewide service, religious and non-profit organizations.

**1. Kinship Care is a necessary safety net for families and should remain an entitlement.** Current statutory language simply requires that when children are in a family setting that meets the requirements set forth in the statutes, then the relatives caring for them must receive payment. In practical terms, that means that agencies may not establish waiting lists for these families, and if funds for the program are running out, DHFS must apply for more funds to make sure all eligible families receive help. Such a procedure has already been used this past year when waiting lists became a reality.

AB 133 would remove that requirement, adding substantial financial uncertainty for low-income families volunteering to take in needy children at risk of being inadequately cared for, abused, or neglected. AB 133 thus shreds the safety net for these children. The result can only be for the children to remain in inadequate settings, or for them to live with relatives in more impoverished circumstances, or for them to be thrust into the foster care system which removes them from their families and is more expensive. In any case, their lives without guaranteed kinship care payments are likely to be unstable.

It has recently come to our attention that there is another problem surfacing in the program. When AFDC ended, relatives receiving AFDC for caring for children were automatically transferred to the kinship care program. But the kinship care program contains the requirement that children be at risk of

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meeting the standards for finding a child in need of protection or services (CHIPS) under sec. 48.13, stats. This was not required under the AFDC program. Now, according to advocates in Milwaukee, kinship care cases are being reviewed and those that do not meet the new requirements are being terminated even though, in some cases, these children (now in their teens) have lived with grandparents since birth. Often these involve children born of a very young parent, a very troubled parent, or a parent involved with the law, where grandparents just assumed the role of the parent and then continued in that role. These cases need to be grandfathered (grandmothered?) into the new kinship care program.

**2. SSI parents should receive the increased caretaker supplement recommended by the governor, \$150 per child per month, and in addition, an extra \$100 for the first child.** The devastation faced by these families when the W-2 program began has been well documented at legislative hearings. The raise in AB 133 is a good step, but doesn't go quite far enough. The addition of \$100 for the first child would bring these families headed by a parent with a substantial disability closer to (but still under) the federal poverty line. By definition, these parents have disabilities which prevent them from increasing family income through work. Thus children in these families will, in all likelihood, be living below the poverty line for their entire childhood. It is only fair to bring them a little closer to an adequate living standard.

**3. The educational needs assessment and payment for basic education which would be required for W-2 recipients placed in unsubsidized employment or trial jobs who wish it should be required for all W-2 placements.** AB 133 requires W-2 agencies to assess the educational needs of all those placed in unsubsidized employment or trial jobs. If the agency determines that basic education is needed (including work toward a GED or HSED) and the person wishes to pursue it, the education must be included in the person's employability plan and the agency must pay for it. Surprisingly, the same requirement does not exist for those in the lower levels of W-2 work programs where the need for basic education is likely to be greatest: those placed in community service jobs (CSJs) or W-2 transitional placements (W-2Ts). (Current statutes only require placement in high school or equivalent training for 18 and 19-year-olds, and then only for those in CSJs and not those in W-2Ts.)

This new requirement should be extended to all W-2 work program placements. Providing for this education at the beginning of W-2 activity is likely to improve job opportunities for W-2 recipients. It is also likely to be more manageable for parents not working 40 hours per week and caring for young children at the same time he or she is expected to attend classes.

In addition, W-2 agencies should be directed to avoid assigning work activities that interfere with the person's completing needed basic education activities, as long as reasonable progress is being made, even if that means assigning fewer hours of work.

**4. In the expansion of wage-paying CSJs, participants should not be prohibited from receiving the state EITC.** Apparently it is unclear whether these participants will meet eligibility requirements for the federal EITC. However, they should not be foreclosed from receiving the state EITC if it turns out that they do qualify for the federal benefit. It is fair to treat them like all other employees when it comes to other benefits that may be available to them.

**5. Recovery of AFDC overpayments should not be allowed out of W-2 benefits because it effectively ignores the wage exemption allowed all other debtors.** AB 133 would allow old AFDC overpayment debts to be recovered from W-2 work program benefits. For those in wage-paying CSJs or trial jobs, the procedures and rates of recovery would be determined by DWD. For those in other CSJs and in W-2Ts, recoveries would occur by reducing W-2 payments by up to 10% of the benefit amount. Such recoveries could occur regardless of whether the overpayment was the fault of the recipient or of the agency issuing the benefits. (The Fiscal Bureau Summary indicates that W-2 benefits could only be reduced if the overpayment was the result of an intentional program violation, but that is not how the statute is drafted.)

Allowing W-2 benefits to be reduced to collect old AFDC debts ignores statutory standards which protect other debtors from losing unconscionable amounts of income to debt collectors. Sec. 815.18, stats., exempts from execution 75% of a debtors net income but not less than 30 times the minimum wage. Thirty times the minimum wage is \$664 per month. Under this standard, CSJ benefits should be reduced no more than \$9 per month and W-2T benefits should not be reduced at all. Collections from those in wage-paying CSJ's and trial jobs should be similarly subject to the limits in sec. 815.18, stats. Among the purposes of this exemption is "to advance the humane purpose of preserving to debtors and their dependents . . . the enjoyment of property necessary to sustain life." W-2 recipients should be offered no less. The state has other ways to collect old AFDC debts, for example through interception of income tax returns.

**6. Collection of overpayments through a lien against the debtor's property or levy upon their property should be prospective only and not be allowed without additional procedural protections.** AB 133 would authorize DWD to proceed against the property of anyone owing AFDC or W-

2 overpayments, including child care and transportation benefit overpayments, by means of a lien against the property or by a levy upon the property, except for certain property that is exempt under state law. Procedures are similar to collections authorized for unemployment compensation (UC) overpayments, but with some important exceptions.

In the first place, the process under UC allows for a debtor to claim a waiver of the overpayment in cases where the agency is at fault. There is no such exception under the process set forth under AB 133. AFDC and W-2 overpayments that occurred because of intentional program violations, because of recipient mistake, and because of agency error all subject recipients to the potential loss of their property.

In the second place, hearings on whether a UC overpayment exists are held at the state level. Under AB 133 issues of alleged overpayments must first be held before the local W-2 agency, as is the case for other W-2 issues. The opportunity for bias is much greater under the W-2 system.

Finally, if these new collection methods are adopted, they should only apply to debts that arise after the effective date of the bill. It is unfair to subject persons to new penalties that they could not be aware of when the overpayment occurred.

(There is another difference in the two systems. Recipients of W-2 work program benefits have worked for those payments, whether they are later found to have been ineligible for other reasons or not. UC recipients receive benefits while not working. Collection of benefits for those not working for them would seem to be a greater priority, as a policy matter.)

**7. The transfer of child care administration from Milwaukee County to the W-2 agencies is likely to cause great disruption and hardship, and result in uneven administration in the county.** AB 133 requires the transfer of child care administration from the county to the W-2 agencies in Milwaukee. The transfer would be permissive in other counties that do not administer W-2 in their area. This change is particularly problematic in Milwaukee because of the five different W-2 agencies operating in the county. Hardship, delay and lack of continuity is likely to occur as people move from one district to another. This already occurs for W-2 recipients. In addition, it is likely that different agencies will interpret rules and guidelines differently, resulting in unequal treatment depending upon which W-2 office one is assigned to.

After some problems at the beginning of W-2, community advocates now say that billing and payment processes are working and the certification process

is improving. Changing procedures for recipients at this point is unnecessary and particularly unfair, after the tremendous changes that have already occurred with the advent of W-2.

Finally, the county agency is necessarily more accountable to the public than W-2 agencies. Among other things, the county has exhibited a commitment to provide training and technical support to child care providers, a commitment that is not guaranteed should W-2 agencies take over the system. It is unreasonable to expect that sort of commitment from agencies that operate under two year contracts. And, that latter factor is also likely to result in less stability for low-income families whose ability to sustain themselves off welfare depends upon a reliable child care system.

**8. Projects funded with TANF dollars should be more closely directed to helping low-income families and made accountable for results consistent with dollars spent.** There are a number of projects proposed to be funded with TANF dollars, some of which sound promising. For others, the anticipated benefit is more tenuous. The funds to be spent upon brownfields clean-up are particularly problematic. There is no guarantee that the grantees would continue to stay in business to the point where they could hire TANF-eligible persons. Nor is there any guarantee that the dollars spent would be in any way proportional to the benefits to low-income workers. Finally, it is unclear what is really meant by "eligible individuals" for whom 80% of the jobs created by the grantee must be saved.

The statutory definition is "an individual who is a parent of a minor child and whose family income does not exceed 200% of the poverty line." Would that include a well-educated, professional person who was temporarily out of work from a high-paying job? That is surely not the family that TANF funds were intended for. Or, does it mean that the grantee would have to keep the pay of 80% of its workers below 200% of the poverty line? That is surely not the intent of the TANF program either. Significantly, there are no provisions in the bill regarding whether grantees must pay a living wage, must keep workers for a particular length of time, whether there must be provisions for advancement, and whether benefits would be offered.

Rather than pay TANF funds based upon hiring "promises," it would be more responsible for the state to promise supplements for businesses who agree to hire TANF-eligible parents after the fields are clean and the business is viable. That is the only way to insure that TANF funds go to create jobs for low-income parents.