

# COMPLIMENTARY

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**Final Report**

**The Impact  
on  
Individuals and Communities  
of the  
Reductions in Social Services in Michigan  
in 1991 - 1992**

**May 10, 1993**

**Michigan League for Human Services  
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## EXECUTIVE SUMMARY

### Final Report

#### *The Impact on Individuals and Communities of the Reductions in Social Services in Michigan in 1991-1992*

In 1991, a series of changes and reductions occurred in Michigan's social services programs which had the potential for immediate and wide-spread impact throughout the state. Funding for the Michigan Department of Social Services (MDSS) fell by 15.6 percent from Fiscal Year 1991 to 1992--the largest single-year reduction in the department's history. The General Assistance (GA) and Job Start programs were eliminated, and services formerly provided through the Emergency Needs and GA Medical Programs sharply curtailed.

The project summarized in this report was undertaken to evaluate the impact of these substantial program changes on individuals, needy families, local economies and community agencies. The project included an extensive review of Michigan's historical experience with the General Assistance program, the characteristics of the General Assistance population, and the funding and policy changes in other programs which have historically provided supplemental support to GA recipients as well as to the state's other low-income individuals and families. This background helped to provide a context in which to fully understand the impact of the program changes and eliminations, as reported in surveys and interviews of the individuals who had depended upon GA for assistance and community agencies which have traditionally delivered services to those in need.

As the research demonstrates, the GA program functioned as the safety net for an increasingly older segment of the population who, like the communities in which they lived, had fallen victim to economic restructuring and recession. Their connection to the labor force was sporadic, and as a result their basic needs were met through a combination of low wage, part-time jobs, a monthly GA stipend, and supplemental emergency and medical assistance.

Yet the importance of Michigan's emergency needs and indigent medical care programs in providing supplemental support to individuals was generally overlooked, as was the potential impact on the community of substantial, simultaneous reductions in three major assistance programs--GA, emergency assistance and health care. The 70 percent decline between 1991-1992 in state expenditures for supplemental basic need programs--emergency services and health care--contributed substantially to the impact reported in the project findings.

## FINDINGS

### **Testing the Underlying Assumptions**

The project's key research questions tested the reliability of the assumptions underlying the 1991-1992 social services changes that the local labor market, the private social services system and the extended family—together or separately—would replace the support formerly provided through GA and other programs.

#### FINDING #1.

***The labor market did not significantly absorb former GA recipients. Seventeen percent of former recipients were employed six months after elimination of General Assistance, with half of those working before the program ended. Eighty-three percent of former GA recipients were unemployed. Based on the survey data, 4,400 former recipients in the study counties found work; another 4,400 had jobs before their assistance was terminated; and over 46,000 former clients were not employed six months after the program ended.***

- ▶ The increase in employment following the elimination of GA was only significant in those counties where clients are few relative to the size of the labor market;
- ▶ The majority of jobs held by respondents were unskilled, low-paid and part-time; the average wage is only \$4.40 per hour;
- ▶ The employment rate among respondents who had a driver's license or a car that runs is twice the rate of those who had neither; and
- ▶ Case studies indicate that most former recipients are less employable 15 months after termination of assistance than they were when the GA stipend was stabilizing their housing situation.

#### FINDING #2.

***Local communities and their network of private emergency services providers were not able to meet the increased need for services which followed the elimination of GA and reductions in the emergency needs and indigent health care programs. As the average number of persons served weekly by agencies increased 19 percent in one year, waiting lists also increased, as did limitations on the types of persons eligible for services and the benefits available.***

- ▶ The average number of persons served weekly by survey respondents increased in 1992, creating significant budgetary and staffing pressures for these small agencies;
- ▶ Most agencies report requests from increased numbers of former recipients of General Assistance, newly unemployed workers and the working poor;

- ▶ Survey respondents provided a greater variety of services than a year earlier, with notable expansion in health care and related services. More than one in three provided medical services in 1992, compared to one in four in 1991, and 17 percent included mental health services compared to 11 percent a year earlier;
- ▶ The most likely requests to be repeated are for food, shelter and utilities;
- ▶ Nine in ten emergency services providers expected the needs of their community to increase during the next six months, while 29 percent believe their ability to handle requests will diminish.
- ▶ Community impact was compounded by the loss of \$131 million in one year in reduced support in public emergency needs, energy assistance and indigent medical care programs.

### **FINDING #3.**

***The extended family has not provided the support previously available through GA and other social services programs. The population of former General Assistance recipients is one that is at risk of growing social isolation.***

- ▶ While twelve percent of case study participants were staying with an adult child, one in three former recipients interviewed in the project study had not seen their adult children in over a year;
- ▶ Nearly one in four interviewed could not identify a single close friend when asked. Fully half could count only one or two people as friends;
- ▶ While some former GA recipients reported living with family members, data from the survey counties indicate that nearly 20,000 former recipients in those counties had no regular place to stay.

### **Assessing the Scope of Unmet Need**

One year after the changes and reductions in the state's basic needs programs occurred, it is clear that substantial unmet need exists in the areas of shelter, food, health care and transportation.

### **FINDING #1.**

***The elimination of GA increased homelessness across Michigan. Based on the survey, an estimated 20,000 recipients in the study counties experienced eviction following termination of the program, with a similar number reporting no regular place to stay. The length of time residing in any one place decreased dramatically for former GA recipients.***

- ▶ The percentage of former GA recipients who were homeless increased from 2 percent to 25 percent within seven months after the GA program ended;
- ▶ Half of former GA recipients interviewed had lived in two or more places in the year following the loss of their GA assistance;
- ▶ Based on survey results, nearly 7,000 former GA recipients in the study counties were sleeping in shelters part of each month.

#### **FINDING #2.**

***Hunger in Michigan increased following termination of GA. Based on the survey, an estimated 27,000 former GA recipients in the study counties went without food for 24 hours or more since the elimination of GA. Private emergency service providers report an escalating demand for food in all areas of the state.***

- ▶ The number of former recipients going without food for a day or more since the elimination of GA is excessive in all regions but is especially alarming in the cities;
- ▶ The rate of utilization of community meal sites by men is nearly double that of women.

#### **FINDING #3.**

***Former GA recipients have significant health problems, with individuals who are older reporting greater problems. The number of community based emergency services organizations which are providing health-related services increased by 48 percent following the dramatic reduction in GA medical services, but they cannot continue to provide these services at a level commensurate with demand.***

- ▶ Forty percent of former GA recipients reported having to see a doctor within the month prior to the survey, 42 percent visited an emergency room, and 62 percent take medication prescribed by a physician.
- ▶ Hospital emergency rooms are providing more routine care, care which would normally be provided through a family physician to indigent patients since the elimination of GA and the GA medical program;
- ▶ There has been an increase in the number of indigent patients seeking emergency room treatment in the later stages of untreated illness.

#### **FINDING #4.**

***Lack of transportation is a significant barrier to accessing employment and training, health care and other basic need services. Only 38 percent of former GA recipients reported having a driver's license and less than 24 percent had a car that runs.***

## CONCLUSION

Many predictions were made prior to the elimination of the General Assistance program in Michigan about what might happen when all income support was withdrawn from 82,000 persons. Some of the dire predictions did not come true. But the findings described in this report demonstrate that neither was Michigan's "social experiment" undertaken without significant consequences for both the affected individuals and the communities in which they live.

The elimination of GA coupled with the withdrawal of \$131 million in emergency and medical services further eroded the economic base of struggling communities, created unsustainable pressure on the private social services system, stripped former GA recipients of all supplemental support, and withheld essential emergency assistance from 40,000 families--the intended "beneficiaries" of the freeing up of resources which was to occur as a result of ending GA.

This research project points to the harsh outcomes caused by those decisions. Homelessness in Michigan has increased; the employability of tens of thousands of affected persons has diminished; and an already strained private social services system is overwhelmed as it tries to meet a growing need for ongoing help with basic necessities with a structure that was designed to help with the occasional emergency experienced by the community's low- and middle-income residents.

# What happened to General Assistance recipients in Michigan?

by Sandra K. Danziger and Sherrie A. Kossoudji.

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On October 1, 1991, the state of Michigan, seeking to reduce its budget deficit, terminated General Assistance, a welfare program primarily for poor adults with no dependent children. At the time of elimination, GA was providing a maximum of \$160 a month to over 80,000 people. Recipients also received food stamps and state-supported health insurance.

At the time, twenty-seven other states had general assistance programs of their own; seventeen of them made cuts in these programs in 1991 or 1992. Michigan was the only state to discontinue it. The budget shortfalls that have led states to reduce funding for these relief programs may not be long-term problems, however. Dollar figures from Michigan reveal a budget surplus for the 1993 fiscal year that was roughly equal to the cost of the GA program in 1991. In January 1994 the Fiscal Agency Director of the Michigan Senate reported that the state ended the 1992-93 fiscal year with a surplus of \$292 million; the amount of GA benefits that were eliminated in 1991 was approximately \$240 million.

After terminating General Assistance, Michigan put in place new programs to ensure that the very few former GA recipients who were parents with children and/or disabled would still receive help. But single adults officially classified by the state as "able-bodied" were given no new means of support. In order to assess the impact of the termination of GA, faculty at the School of Social Work of the University of Michigan and staff members of the Michigan Department of Social Services began the General Assistance Termination Project with support from the Ford Foundation. This article presents our findings from the second report of the project.

Nearly all of the evidence in the report comes from two sources. The first consists of records on a random

sample of people who were receiving GA in March 1991. Compiled by the Michigan Department of Social Services, the records contain information covering the period January 1988 to June 1993. They provide information on each recipient's history of welfare use, employment, and job training, among other things. The second source is a random survey of 530 of those recipients; only recipients who were officially classified by the state as "able-bodied" were used for this survey. The interviews were conducted from August to October 1992 and provide information on the backgrounds and lives of former recipients.

## Findings

A basic descriptive analysis of the General Assistance population from the 1991 caseload (prior to the program's end) yielded very little confidence that recipients would be able to replace GA income through private means. Some of the findings included the following:

- two of five recipients were over age forty;
- only half had a high school diploma;
- half of the cases were in Wayne County/Detroit, one of the highest unemployment areas and concentrated minority poverty areas of the state.

The quality of life generally declined for former GA recipients once the program was terminated. Most former recipients were unable to replace benefits with other means of support. We focus here on health, employment, and the use of other welfare programs.

**Health status.** Of the 530 able-bodied recipients we surveyed, more than 58 percent reported one or more chronic health conditions that needed medical attention. Among those over age forty, that figure was close to 77 percent. One-third of the respondents said they were in poor health; another third reported that their health had worsened since GA had ended; and a third reported no health problems requiring the attention of a doctor. Around 23 percent of the respondents indicated that their health prevented them from working at all. Thirty-three percent said their health only partially compromised their ability to work.

(13)

A significant minority of these "able-bodied" adults appeared to be in fact disabled. In June 1993, 15 percent were enrolled in a disability program, and nearly one in five had received disability income for at least one month following the termination of General Assistance.

Although they were probably eligible for state medical assistance, a large number of former recipients reported no health coverage at the time of their interview. In addition, over one-third cited difficulties in obtaining care. At the same time, use of medical care, particularly expensive forms of care, was high. Over three-quarters of the chronically ill had received care in an emergency room at least once since GA had ended.

**Employment.** Most former recipients had not found continuous employment. According to state records, 38 percent were employed at some point in 1992, but less than 20 percent were employed in any single quarter, and not even 5 percent worked in all four quarters. Of those in our survey, one of every three who found a job during the first year after GA was terminated was not employed at the end of that year. And employment did not necessarily lead to self-sufficiency. Those who worked after GA had been terminated earned an average of about \$650 per month (gross earnings) during the period under study. Nine percent of the jobs worked by former recipients were in manufacturing; three out of five jobs were in the service industry. Twelve percent of post-termination jobs provided health insurance, and just 6 percent offered retirement programs. These jobs were also much less likely to provide life insurance, paid sick leave, or vacations than jobs held when the GA program was still in operation.

Using a regression analysis, we predicted the probability of post-GA employment for former recipients with specific characteristics. We found that job training increased the odds of being employed, especially for African Americans. Having a high school diploma appreciably raised the chances for employment among African Americans (but not among other minorities and whites), while having recent work experience was a significant predictor for whites and non-African American minorities.

**Welfare use.** The popular assumption is that public assistance recipients are welfare-dependent unless they are forced off the rolls. Belief in this assumption was part of the rationale for discontinuing the GA program. On the surface, some findings from our study seem to support this supposition. As already noted, 38 percent of former GA recipients were employed at some point in 1992. In addition, the percentage of former recipients who did not receive other forms of public assistance gradually rose during the period under study; by June 1993, it stood at 43 percent.

Contrary to the popular assumption, however, our overall findings do not indicate that terminating the program affected welfare participation rates. We examined the behavior of a group of former GA recipients before and after the program ended. In June 1993—exactly twenty-seven months after March 1991, when we measured the GA population—43 percent of the people in our group did not receive any public assistance. In December 1988, twenty-seven months before March 1991, almost the same percentage (43.5) of March 1991 recipients did not receive any form of public assistance. Moreover, participation rates did not rise at the time GA was terminated. Discontinuing the program had virtually no impact on the prevalence of welfare dependency.

Instead, the principal impact of GA termination has been that fewer public resources are now available to the former recipients when they need public assistance. Because most would qualify for cash assistance only if they became disabled or pregnant, most are eligible only for in-kind benefits such as food stamps and basic medical insurance.

### Implications of our findings

We have noted that many former recipients of General Assistance were in poor health. If a system of universal health coverage is implemented, the functional health of former recipients may improve, increasing their employability. For many with chronic illnesses, however, public service jobs, subsidized employment, or public assistance may be their only viable paths to economic subsistence. Even with universal health care, employers will seek out the healthiest job candidates at every skill level. Other states with general assistance programs would be wise to ascertain the prevalence of health problems and consider realistic alternatives for the chronically ill when debating welfare reform.

A significant minority of former GA recipients were disabled. It is likely that many people who once received General Assistance and who now receive disability benefits were already disabled before GA was terminated. Michigan could have saved a lot of money, and the General Assistance caseload could have been reduced in size, if more recipients had been assessed for disabilities and if the program had been better coordinated with the Supplemental Security Income (SSI) program, which provides benefits to the disabled. Other states, when considering whether to eliminate their general assistance programs, should first review the disability status of their GA recipients to see if significant savings can be attained without ending the program.

The rate of growth of disability receipt in Michigan shows no sign of abating. Assuming it continues to



grow, and that other states will also terminate general assistance, the federal government might expect a great increase in SSI applications and participation, along with the budgetary problems associated with that increase.

The employment of former GA recipients has been sporadic, with perhaps one in five finding regular work. Before GA ended, the members of our sample alternated between employment and welfare participation. The principal difference between the GA and post-GA eras is that fewer economic resources are available now, although the need for assistance has remained the same. As a result, the well-being of former recipients has been significantly reduced, even with the meager addition of help from friends, family, and private charities.

According to our survey, reliance on friends and family increased when GA ended. However, only a fraction reported receiving any money from these sources between late 1991 (when the program was terminated) and the time we interviewed them. The use of food pantries increased, but just over one-third of the respondents went to a food pantry in the year prior to the survey. These sources alone do not provide adequate substitution for public assistance.

If states and the federal government are committed to encouraging smooth and more rapid transitions from welfare to work, and if our regression results concerning the impact of job training, education, and job experience are valid, then work-incentive packages for welfare recipients may need to recognize the different labor market realities faced by whites and minorities. African Americans may benefit more from job training and education programs, while non-African Americans may gain more from decreased benefit-reduction rates (i.e.,

the loss of welfare dollars if a recipient works while on welfare) and subsidized employment.

The perception of public assistance as a safety net is being recast. Current reform efforts are converting public assistance programs into programs that teach job skills and prepare recipients for the world of work. Yet, as we have observed, employment does not necessarily lead to self-sufficiency. Poorly paying, low-benefit service jobs may represent the extent of labor market opportunities for former GA recipients, nearly all of whom are low skilled. In the short term, we can expect a steady growth in the food stamp program because even the working poor will qualify.

If these low-skilled workers cannot earn a living wage, and if their retirement benefits remain at low levels, then even former GA recipients who work steadily throughout their lives may go back on welfare or fall into poverty when they reach retirement age.

What former recipients need now is what they have needed all along: more investment in jobs, more jobs for minorities and older workers, adequate health care and job skills training, expanded disability benefits, and greater targeting of resources for impoverished communities where the jobs are few. Terminating general assistance programs may not reduce budget deficits in the long run. Without public safety nets for some of the poor, governments may find themselves devoting more funds to shelters, health care, and disability programs. Careful analysis must guide future welfare reform measures if they are to successfully save public dollars and take into account the needs of the poor. Those who have come to rely on these programs need to be assessed for their significant employment barriers, rather than penalized for their welfare dependence. ■

The  
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# **Jobless, Penniless, Often Homeless: State General Assistance Cuts Leave “Employables” Struggling for Survival**

## **Executive Summary**

February 1994

**Center on Social Welfare Policy and Law**

*Publication No. 805-Executive Summary*

The Center on Social Welfare Policy and Law is a national legal and policy organization with offices in New York City and Washington, D.C. Its work focuses on means-tested cash public assistance programs that currently provide subsistence benefits to more than 14 million destitute persons, of whom most are young children and their single parents. These programs are the Aid to Families with Dependent Children (AFDC) and state and local general assistance (GA) programs.

The Center provides representation for poor people in litigation and before administrative and legislative bodies, and analyses of developments in welfare law, training and individualized assistance for local advocates providing representation on welfare matters. The Center also engages in nonpartisan analysis of welfare policy issues and public education designed to increase understanding of the public assistance programs and the needy families and individuals they serve.

This publication was prepared by Sandra Hauser, Staff Attorney, with assistance from Henry Freedman, Executive Director of the Center. Printing and dissemination of the publication were partially supported by the Public Welfare Foundation.

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## Introduction

Tens of thousands of individuals have been left homeless, and many others hungry and sick, as states in recent years have purged persons deemed "employable" from their General Assistance (GA) welfare programs.<sup>1</sup>

States did not say that they wanted to cause such misery. Rather, they said that relatively healthy individuals who could sustain themselves through work should be terminated from GA after a fixed time period, or be denied benefits altogether. They contended that "able-bodied" GA recipients could and would find jobs, or could otherwise survive by conserving resources and accepting help from others. Despite evidence that jobs were not available and warnings from advocates that great hardship would follow, these states adopted strict definitions of disability and removed "employables" from the rolls, and in many cases ended health care benefits as well.

The disastrous results predicted by advocates have now been confirmed by research reports from several states. The research shows that:

- **Most recipients faced profound personal and structural barriers to locating employment,** barriers apparent long before program termination.
- **The vast majority of "employable" persons terminated from GA programs did not find jobs** despite motivation, effort, and lack of income from other sources. For those who found it, employment was typically temporary, low-wage, and/or part-time.
- **Large numbers of former recipients suffered severe crises as a result of GA program cuts,** including homelessness, hunger, poor health, and increased social isolation. Communities also suffered enormously as a result of the cuts.

Will history repeat itself? The nation has begun a broad debate on welfare reform for families. The Clinton Administration and several states have suggested imposing time limits on Aid to Families with Dependent Children (AFDC) benefits, arguing that many on the rolls are able-bodied people who would work if only the ethic of the program changed, an opportunity for short-term training or unpaid work experience was provided, and the "umbilical cord" to cash assistance cut. There is no additional evidence that jobs are available, and advocates are again pessimistic about results.

## I. Who Was Terminated From General Assistance

### A. *Defining an "Employable" Population: State Actions to Cut GA*

Michigan, Ohio, Illinois and Pennsylvania all restricted or time-limited their GA programs by excluding persons labelled "employable." Over 350,000 recipients were terminated from income support by these actions, and many lost health coverage as well. The definitions of "employability" used by these states proved arbitrary, as they had little to do with individuals' actual ability to work or to locate a job in the local economy, and did not reflect either labor market conditions or the numerous personal and structural barriers GA recipients face to employment. It appears that the cuts were motivated principally by the cost savings predicted from these actions.

A number of other states have enacted dramatic GA program reductions since 1991, including three that also eliminated aid to employables.<sup>2</sup> Still others either stopped aiding the non-disabled during the 1980's, or do not provide any cash assistance to this population.<sup>3</sup>

### B. *Characteristics of the Terminated Population*

GA recipients are often stereotyped as young, healthy, primarily minority men who dropped out of school and have trouble keeping a job. This picture ignores the vast majority of individuals receiving GA in every state studied. The life circumstances of each tell a different story about why they are poor and the barriers they face in escaping poverty. Among the recipients were high school drop-outs with little employment history who could not find jobs, but also former assembly line workers who lost their jobs due to downsizing; "displaced housewives" with education but no job experience or training; individuals who were too ill to work but not considered disabled by the Social Security Administration; persons needed at home to care for disabled relatives; and even families with children who did not qualify for other income support programs.

The following general conclusions can be drawn from a review of the demographics of the GA population:

- **While all races were represented on the GA rolls, the cuts had a severe impact on minority communities, particularly the African-American community.** Although researchers conclude that racial differences are a proxy for racial residential patterns and poverty generated by urban economic conditions, the racial effects of the cuts are undeniable.
- **Women made up a sizeable share of the GA caseload in every state,** although patterns varied. Gender varied considerably by age, with women overrepresented in both the oldest and youngest age groups.
- **Most GA recipients were between 25-45 years old; many were older.**
- **An overwhelming proportion of former GA recipients were on the rolls less than two years when terminated from the program, and close to half were on for one year or less.** Moreover, when patterns of completed GA spells are compared over time, the data reveals that very few recipients stayed on aid for more than five years, and most left GA within two years.
- **Close to half of the GA population in the states studied lacked a high school diploma or GED,** more than double the percentage in the general population.
- **Most GA recipients had some past or present work force participation,** although jobs were often temporary, low-wage, and part-time.
- **The GA population was heavily urban,** with GA recipients most concentrated in densely populated neighborhoods with high rates of poverty and unemployment, and an unstable economic base.
- **A large proportion of GA recipients suffered from chronic illness or other medical problems impairing employability.** Indeed, a significant percentage of individuals who were classified by states as "employable" were found eligible for SSI or other disability programs within the year.

Even the most brief review of the characteristics of the GA recipient population reveals that many face numerous obstacles to obtaining paid employment, including profound lack of education, low skill levels, minimal job experience and chronic illness. Structural barriers, such as racial discrimination, lack of housing, and

inadequate public transportation systems are also known blocks to finding and keeping jobs. Moreover, the GA population is to a large extent concentrated in urban areas with depressed labor markets. Even the most attractive job candidates have trouble locating positions in the communities in which GA recipients now must fight even harder to survive.

## II. Did Those Who were Terminated Find Employment?

Impact studies conducted after GA termination uniformly show that the vast majority of “employable” persons whose cash assistance was discontinued did not enter jobs in the one to two years following. For those who have found work it is typically low-wage, temporary and part-time.

That people would not find jobs was totally predictable, from both economic information available at the time of the cuts and the characteristics of the GA population. GA cuts often occurred in peak recessionary periods when securing a job was difficult for even the most qualified candidates. And, as illustrated in Part I, recipients faced numerous personal and systemic barriers to employment.

Among the study results:

- In Michigan, according to state statistics, **over 80% of former GA recipients, nearly 66,000 individuals, did not work for most of the year following GA termination.** For those who did work, the work appears to have been sporadic.
- In Pennsylvania, nearly two-thirds (64%) of a random sample of “employable” former GA recipients surveyed lacked paid employment two full years after the cut, during an entire six month period. An even greater percentage (74%) had no job covered by unemployment compensation in that period. **Over the five quarters beginning with termination, 64% had no covered job at all, and less than 3% had covered employment in all five quarters.**
- In Cuyahoga County, Ohio (Cleveland) surveys showed that **the percentage working rose by only 2 percentage points (from 15% to 17%) six months after aid ceased,** a statistically insignificant amount.

Overall, the data overwhelmingly undermines the primary justification offered by states to rationalize GA cuts: that thousands of able-bodied individuals were being supported by the state who could be absorbed by the labor market in significant number. The reality is that most persons terminated from GA have not entered jobs in the mainstream economy, and further absorption seems unlikely given the many barriers to employment that GA recipients face. Efforts to provide more employment and training slots for those cut off have largely not been successful.

### III. The Human Impact of GA Cuts on the Terminated Population

Program termination took a devastating toll on the hundreds of thousands of recipients left without income support or employment for all or part of the year. Homelessness and hunger soared, and many were left in declining health and with nowhere to turn.

The research demonstrates, among other things:

- **Twenty-five percent of Michigan GA recipients reported being homeless within seven months after program termination, up from 2% before termination.**
- **Homelessness increased 17% within six months of the GA program reductions in Ohio** according to academic estimates, from 23% homeless before the cuts to 27% afterwards.
- **Michigan researchers estimate that 27,000 former GA recipients in eight counties went without food for 24 hours or more following GA termination.**
- **The proportion of Cuyahoga County, Ohio recipients surveyed who said they were unable to obtain needed medical care rose from 20% to 33% following termination**, while the percentage under a physician's care or receiving medications for serious medical conditions did not drop significantly.
- **A Pennsylvania survey reveals that 26% of former recipients surveyed stated that their health was worse after leaving GA, and 33% reported that "health problems kept them from working."**



It is not surprising that former General Assistance recipients have generally not been found eligible for other cash assistance programs, since GA provides for persons who do not fit in the categories of persons the other programs cover. It is surprising, however, that a significant portion were soon found eligible for disability-related assistance despite state assertions that they should not get GA since they were "employable." Indeed, despite the stringent disability test applied for Social Security and SSI, in Michigan 13% were receiving SSI within 2 years after termination, and in Cuyahoga County, Ohio, 10% were receiving SSI or Social Security disability within one year.

The studies reveal that former GA recipients have been largely unable to rely on other sources to meet their needs. Two separate surveys of private emergency service providers in Michigan revealed their inability to meet the increased need resulting from termination of GA.

Although states rationalized GA cuts by asserting the ability of the GA population to find employment or otherwise survive without government aid, it appears that states were principally motivated by their sense that cuts in such programs would be politically acceptable in times of budget crises. While eliminating a program through which monthly cash grants are disbursed to individuals reduces the short term welfare budget, it is unclear whether costs are saved in the long run or are simply shifted to different agencies or arms of government, such as publicly-funded shelters, public hospitals, other publicly-funded service providers, and the criminal justice system. And if public shelters and services are not available, there may be more people living in the streets, subways, transportation terminals and other public spaces at the expense of the entire community.

Since GA recipients were concentrated in a limited number of urban neighborhoods the impact of program cuts has been similarly targeted, with a harsh effect on commerce and community life in those areas. More fundamentally, to the extent that needs not met by taxpayer-supported operations are not met at all, or are met by persons and institutions in impoverished neighborhoods, the cuts have transferred the shared "pain" of paying taxes to hardships suffered by poor individuals, families or neighborhood institutions.

The research to date shows the profound impact that the elimination of General Assistance has had on affected individuals, states and communities. As the nation moves forward on "welfare reform" for families with children, the implications of this research must be seriously examined in order to avoid additional human tragedy.

## Notes

1. "General Assistance" (GA) is a term applied to a variety of different state and local programs that provide cash or in-kind benefits to needy families and individuals who, generally speaking, are not within the eligibility categories for Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI), the federal program for needy aged, blind and disabled individuals. Not all states operate a GA program. In some states localities provide aid while others they do not.
2. The District of Columbia, Massachusetts, Minnesota, and several Virginia counties all eliminated or time-limited aid to "employables" in 1991-1992, and California, Connecticut, Maine, and New York enacted other programs changes affecting "able-bodied" recipients. Arizona, Colorado, and Washington, which do not provide aid to "able-bodied" adults, made changes affecting disabled/elderly GA recipients. See generally Center on Social Welfare Policy and Law, Publication No. 167, *No Relief for the Poor: 1992 State Cutbacks in AFDC, GA and EAF, Parts I and II* (September 1992), and No. 165, *1991: The Poor Got Poorer as Welfare Rolls Were Slashed* (February 1992).
3. Martha Burt identified six states that cut GA to employables during the 1980's: Delaware, Hawaii, New Mexico, Rhode Island, Utah and Wyoming\*. Burt, *Over The Edge: The Growth of Homelessness in the 1980s*, Russell Sage Foundation/The Urban Institute Press (1992), pp. 102-104, table 5-5. In addition to those already mentioned, the following states do not provide aid to "able-bodied" adults: Alabama\*, Arizona, Arkansas\*, Colorado, Florida, Georgia, Louisiana\*, Mississippi\*, North Dakota, Oklahoma\*, Oregon, South Carolina, Tennessee\*, Vermont, Washington, and West Virginia\*. These states marked with an asterisk (\*) have no GA program at all. See *National General Assistance Survey, 1992*, Center on Budget and Policy Priorities and National Conferences of State Legislators, pp.19-31, table II.

# Kelly House

*a Community Based Residential Facility for the elderly*

121 South Fifth Street

Evansville, Wisconsin 53536

608-882-4191

My name is Diane Skinner. For the past 5 years I have been the owner and operator of an 8 bed Community-Based Residential Facility providing assisted living for the elderly. Last year my Mother-in-law became ill and was admitted to my facility. I soon realized that I would be facing the need to have her evaluated for the Community Option Program. I was saddened to think that a family member could not afford my services. I had been considering expanding and thought I would try to build something that would be more affordable. My room rate now is \$1400 a month, My Mother-in-law can afford \$1000 a month. The Assisted Living Initiative the Governor has recommended is not something I could consider. That model is not affordable for a small operator like myself.

I am here today to speak out against the Assisted Living Initiative and urge you to withdraw this plan from the budget bill.

For the past 5 years the Administrative Rule HSS-83 has been developed to license Community-Based Residential Facilities. In my eye, this rule governs Assisted Living in Wisconsin. Let's build up and down from this perspective, not invent something else that will need a new set of rules, licensing agents and offices. In other States, I think CBRF's would be identified as Assisted Living Facilities.

I have a wonderful plan for more affordable assisted living. It's called shared living. I hope to build a house with private bedrooms and half baths for 6-10 people. All meals and housekeeping will be provided for \$1000 a month. I hope to build this less regulated facility next to my licensed CBRF and certified Adult Day Care Center.

3-27-95

Dear Joint Finance

I am very strongly in need of the Medical Assistance Personal Care to live my life. I want my Independence and freedom and to be on my own.

If this MA PC is cut, then I would end up in a nursing Home. I also would no longer be able to attend MATC for employment.

Division of Vocational Rehabilitation (DVR) has spent over \$3,000 for my education for me to seek employment.

I enjoy being free because this is a free country and everyone should be able to have their freedom and rights.

Thanks for your time reading my letter

Joseph Kury

201 S Park St #1  
Madison WI 53715

P.S.

If I was in a nursing home I would no longer be able to seek employment and attend M.A.T.C.

Governor Thompson,

My name is Ken Adell, I am currently a student here at the University of Wisconsin -Madison, and will be getting my bachelors degree in Rehabilitation Psychology this spring. In two years I hope to have my masters degree as well. This letter is to express some concerns about the Governor's budget, I feel that some of the proposed budget cuts may have a huge impact on many people in a negative way that may have serious repercussions for Wisconsin.

I went to Weston High School just outside of Cazenovia, worked at Grede foundry in Reedsburg and was a proud member of the Wisconsin Air National guard until 1986. That's when I acquired a spinal cord injury that changed my life for ever. Before my accident I really hadn't paid close attention to politics, but since then, I have paid very close attention and I have always liked everything that you and your constituents have done. I am one of the few people with a disability that is proud to say "I am a Republican". When I am through with school I know that I will be able to work and pay taxes like everyone else. I see a huge demand for the care of the elderly and disabled and demographics show that society is moving toward a service oriented economy. The days of me hustling my butt off in a factory are over not just because of my disability but because the jobs simply have been replaced by technology. When I finish school it is my intention to start a small business of my own. I believe that society needs more private growth in the health care fields. Rehabilitation consultation is where I think I can do my best work.

The proposed budget cuts that will hurt me the most are the Medical Assistance (MA) Personal Care Worker (PCW) programs which include the Community Options Program (COP), and the Social Security Insurance (SSI) and Social Security Insurance Extension (SSIE) programs. These programs are vital to my becoming successful, and functionally independent once again. The Medical Assistance personal care worker programs have helped me to maintain living independently, and I really feel as though, had I been put into a nursing home my motivation and drive to succeed would have been seriously impeded upon. If these budget cuts go through the nursing homes will be seriously overcrowded. The quality of care in nursing homes is at best bearable, increasing the workload would only make things worse. The community options program, which is funded from the overflow of income MA pays to nursing homes(ACT 469), has also played a role in my ability to achieve my goals. Maintaining an independent lifestyle is essential in that I have the flexibility that a student needs. the community options program has provided me with a rent subsidy, which has allowed the ability to live where it is necessary. Without this rent subsidy I could not afford to live in the community thereby completing my education.

If I can maintain living independently, and complete my education I can become a functional member of society and a taxpayer. However, simply getting a masters degree doesn't mean that I will automatically secure an income large enough to afford the overhead of being disabled. It is crucial to my survival that I establish a work history. Establishing a work history of 2 to 3 years should afford me the ability to support my own medical needs. The SSI and SSIE programs will allow me to earn enough money to support myself and utilize medical assistance until I can afford to pay for my own medical expenses. Nothing is more important to me than becoming a private citizen again, without these programs I simply can't make it, I will be an economic strain on the state for the rest of my life.

Sincerely,  
Ken Adell

203 Alhambra Apt #2  
MADISON WI,  
53713


TO: State of Wisconsin, Joint Finance Committee

RE: Wisconsin 1995/97 Budget

Date: March 27, 1995

I would like to take this opportunity to express my opinions and concerns about the governor's proposed budget for the next biennium and beyond. I think it would be difficult to find anyone who doesn't think property taxes are too high. There are many people who are being forced to sell their home because they can no longer afford the taxes, and many others who will never own a home because the property taxes are so high. I also think we can all agree on the principle of trimming government "fat" in order to decrease taxes and fund good schools in our state. However, as I listen and read about the proposed budget, I see very little of this. Programs that provide essential services to elderly, disabled and troubled youth are not "fat". As human beings, I hope that the citizens of Wisconsin are not willing to fund property tax relief and schools at the expense of those who are the most vulnerable in our society. If nursing home care is too expensive, then look to more cost effective solutions (such as increasing community programs), but to eliminate funding without looking at consequences is irresponsible. At this rate Wisconsin is destined to be known not as a "progressive" state, but one which lets the frail elderly die on the streets because nursing home care is too expensive, and other alternatives are not available.

I would like to be realistic about the state budget and state what everyone knows. We cannot expect to take a significant amount of school funding off the property tax, and not increase taxes elsewhere to cover at least a portion of the cost. I would encourage you to continue to look for ways of reducing state costs, true "fat" in the budget, but not to cut programs which will result in horrible hardships for citizens who cannot control their current circumstances. Personally, I would rather pay a little more in sales tax, than to see the Governor's budget pass.



Deanna R. Duerst

5011 Major Avenue

Madison, WI 53716

Testimony before the  
Joint Finance Committee  
27 March 1995

To the Members of the Joint Finance Committee:

I have worked at UW Hospital for more than ten years. I am here to voice my support for the proposal to create a Public Authority to operate the hospital. My support is founded on the premise of competition.

Some facts simply cannot go unnoticed. Competition has come to health care. It is characterized by vigorous local and regional competition for patients. By managed-care contracting where winners corral the largest number of "covered lives." And, by the ability to develop and bring to the marketplace new programs and services *before* your competitors do.

In health care, competition and change are—perhaps—the only true constants. Faced with this scenario, when change is inevitable, we can respond to it. Or initiate it. At UW Hospital, we've chosen the later—to initiate change for the public good. We take very seriously our commitment to the citizens of Wisconsin. Just as we take very seriously the market forces that today shape and quickly change health care.

UW Hospital is a vital link to the future of health care in Wisconsin. Let's never place ourselves in the position of holding it back. Let's be sure we're in the position of allowing UW Hospital to not only survive—but to thrive for the benefit of us all.

Creating a public authority to operate UW Hospital represents continuous improvement. It represents positive change in this powerful culture of competition. As I said earlier, competition has come to health care. The time is right for this proposal: let the public authority come to UW Hospital.



Mark L. Hendrickson  
5 Sandlewood Circle  
Madison, WI 53716



## ADVANTAGES OF A PUBLIC AUTHORITY TO OPERATE UW HOSPITAL

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- Provides full accountability to the citizens of Wisconsin.
- Obtains operating flexibility to enable the hospital to thrive in the fast-paced health care environment.
- Allows hospital and employees to negotiate directly.
- Promotes the ability of the hospital to design, acquire, build or enhance community-based clinics for patient care and education.
- Offers cost-effective and timely responses to patient service needs and marketplace opportunities.
- Provides for streamlined purchasing procedures.
- Allows for human resources and personnel policies specific to the needs of an acute-care hospital.

As a Public Authority, UW Hospital will remain subject to state open meeting and record laws, ethics laws and legislative audits. In addition, the hospital's multiple missions will not change.

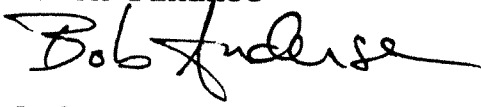
The hospital will remain strongly committed to patient care, education, biomedical research, and community outreach.

# LEGAL ACTION OF WISCONSIN, INC.

31 South Mills Street • P.O. Box 9686 • Madison, Wisconsin 53715  
608/256-3304 • 800/362-3904 • FAX 608/256-0510

Kenosha Office  
5630 Sixth Avenue  
Kenosha, WI 53140  
1-800-242-5840

Milwaukee Office  
230 West Wells Street  
Milwaukee, WI 53203  
414-278-7722

TO: Joint Committee on Finance  
FROM: Bob Andersen   
RE: Elimination of the Limited Right to Counsel for Indigents  
in Paternity Actions  
DATE: March 27, 1995

I would like to urge the committee to maintain current law and maintain the compromise reached during the past session. It is the best solution for all concerned. It provides only a limited right of representation to respondents for whom the blood tests do not show a presumption of paternity. Without this limited statutory right, if a Court of Appeals or the Supreme Court rules that there is a right to counsel, it will apply the right to counsel to all counties and to *all* respondents -- not merely to a limited number of respondents. Below I have outlined why I think it is likely that the courts will so rule.

- I. Circuit Courts in Brown County and Manitowoc County Have Already Ruled that There is the Right to the Appointment of Counsel for Indigents in Paternity Actions. State ex rel. Hager v. Barr, Manitowoc County Case No. 79-CR-533 (1981). State ex rel. Tina O'Donnell v. Martin Nelson, #78-FA653 (1980).

The decision in Brown County was written by Circuit Court Judge Pat Crooks, who is aspiring to be elected to the State Supreme Court in the upcoming election. Once a court of appeals upholds the right to counsel in a published decision, it will be incumbent on *all* counties to provide counsel at their expense.

- II. The Supreme Courts of the Following Neighboring States Have Ruled that There is the Right to Counsel: Indiana, Minnesota, and Michigan. Illinois Provides for the Right to Counsel by Statute.

Both the Michigan and Indiana Supreme Courts ruled that there is a right to counsel for indigent respondents under the Due Process Clause of the Fourteenth Amendment to the United States Constitution, because of the serious interests which are at stake *for innocent parties*:

- (1) The financial obligation to pay child support for

18 years;

- (2) The fact that the failure to pay support at any time during the 18 years is punishable by imprisonment;
- (3) A paternity judgment determines rights to inheritance and social security, as well as the obligation of the child to support the father; and
- (4) A paternity judgment establishes the socio-biological connection of parent and child.

Indiana, Kennedy v. Wood, 439 N.W.2d 1369 (1982); Michigan, Artibee v. Cheboygan Circuit Court, 243 N.W.2d 740 (1976)

The Minnesota Supreme Court ruled that it is a violation of the Equal Protection Clause for the state to finance counsel for one side of the action (mother) and not the other. Minnesota, Hepfel v. Bashaw, 279 N.W.2d 342 (1979).

III. In addition, the Courts of Nine other States that Have Taken Up this Issue Have Ruled That There is the Right to Counsel Under the United States Constitution

Alaska, Reynolds v. Kimmons 569 P.2d 799 (1977)

California, Salas v. Cortez, 593 P.2d 226 (1979)

Connecticut, Lavertue v. Niman, 493 A.2d 213 (1985)

New Jersey, M v. S, 404 A.2d 653 (1979)

New York, Madeline G. v. David R., 407 N.Y.2d 414 (1978)

Ohio, State ex rel. Cody v. Toner, 8 Ohio St. 3d 22 (1983)

Pennsylvania, Corra v. Coll, 451 A.2d 480 (1982)

West Virginia, State ex rel. Graves v. Daugherty, 266 S.E.2d 142 (1980)

North Carolina, Wake County ex rel. Carrington v. Townes, 292 S.E.2d 95 (1982)

IV. The U.S. Supreme Court Refused to Overturn the California Decision Granting the Constitutional Right to Counsel. In addition, the U.S. Supreme Court Underscored the Significance of these Proceedings in Ruling that There is a Constitutional Right to a Pre-Paid Blood Test.

In the words of the U. S. SUPREME COURT in Little v Streater,

supra., 452 U.S. at 13, 68 L Ed 2d at 637:

"The private interests implicated here are substantial. Apart from the putative father's pecuniary interest in avoiding a substantial support obligation and liberty interest threatened by the possible sanction for noncompliance, at issue is the creation of a parent-child relationship. This Court has frequently stressed the importance of familial bonds, whether or not legitimized by marriage, and accorded them constitutional protection. See Stanley v. Illinois, 405 US 645, 651-652, 31 L Ed 2d 551, 92 S Ct 1208 (1972). Just as the termination of such bonds demands procedural fairness, see Lassiter v Department of Social Services, post, p 18, 68 L Ed 2d 640, 101 S Ct 2153 (1981), so too does their imposition. Through the judicial process, the State properly endeavors to identify the father of a child born out of wedlock and to make him responsible for the child's maintenance. Obviously, both the child and the defendant in a paternity action have a compelling interest in the accuracy of such a determination. [emphasis added]"

V. The Reason why the Right to Counsel is Established by These Courts and these Legislatures is That Mistakes are Very Often Made in Paternity Proceedings

The Indiana Supreme Court and the North Carolina Supreme Court cited a study, also cited by the U.S. Supreme Court in Little:

"Professor Harry D. Krause's study [H. Krause, Illegitimacy: Law and Social Policy pp. 107-108 (1979)] suggested the tremendous potential for erroneous adjudications of paternity. Krause's research revealed that it is not uncommon for 95% of the paternity disputes to result in findings of parentage . . . Yet in a study based on 1000 cases, 39.6% of the accused men were conclusively shown by blood tests not to be the fathers. Of equal significance is another study in which 18% of a group of accused men who acknowledged paternity were proven by blood tests not to be the fathers of the children they acknowledged." [emphasis added] Kennedy v. Wood, 439 N.E.2d at 1372 (1982) [Indiana]

VI. The Reason Why These Courts and Legislatures are Concerned About Whether Mistakes are Made is Due to the Profound Effect an Erroneous Determination Has on the Children, as Well as the Mother and the Respondent

In the words of the California Supreme Court, in a decision which the U.S. Supreme Court refused to take on appeal, in determining that the Due Process Clause of the United States

Constitution requires the appointment of counsel for indigent defendants, Salas v. Cortez, 593 P. 2d 226, 154 Cal Rptr. 529, at 537 (1979):

The child, to a large extent forgotten in such proceedings, has been termed the 'principal plaintiff' in a paternity action. (Krause, supra, at p. 108.) In a sense, it is the child's identity that is litigated in a proceeding to determine parentage. Any determination that a particular individual is a child's biological father may have profound sociological and psychological ramifications. Further, the child's rights of support and inheritance against the father are at issue, as well as his or her future obligation to support the father. (Civ. Code § 206.) 'If the child is to have anything, it must have a right to have his paternity ascertained in a fair and efficient manner.' (Krause, supra, at p. 113, emphasis in original.) It is in the child's interest not only to have it adjudicated that some man is his or her father and thus liable for support, but to have some assurance that the correct person has been so identified. When the state initiates paternity proceedings, whether on behalf of the mother (as in Salas v. Cortez) or the child (as in David M. v. Castellanos, the state owes it to the child to ensure that an accurate determination of parentage will be made.[emphasis added]

**VII. Under the Current Statutory Limitation, Representation by the Public Defender is Terminated for 40% of Alleged Fathers Whose Blood Test Results Show a Probability of 99% of Paternity (Establishing a Presumption of Paternity Under the Law)**

The current limitation is that an indigent is entitled to counsel only unless a blood test shows a probability of paternity of 99%, thereby creating a presumption of paternity under the law.

The presumption of paternity based on a blood test that shows a 99% probability, was created by the Legislative Council Subcommittee on Employment Disincentives in 1987.

The subcommittee's conclusion was based on the recommendations of Dr. Myrna Traver, the state's expert on Human Leukocyte Antigen (HLA) blood tests. Dr. Traver stated that this was a reasonable place to create a presumption (99% probability), rather than to place it at 97%, as did the state of Colorado at the time.

Dr. Traver said the following survey of nine months' blood test results accurately portrayed how blood test results ordinarily break down:

262 total cases:

30%	81	-- exclusions (absolutely cannot be the father)
16%	43	-- results showing less than 98% probability
12%	32	-- 98-99% probability
40%	48	-- 99-99.75% probability
58		-- above 99.75% probability

As you can see, what this means, in the context of this limitation, is that in 40% of the cases representation terminates with the creation of the presumption of paternity. Persons ordered to take blood tests by the court in paternity actions cannot refuse to do so; consequently, there is not a possibility for mischief by a party who knows he is the father.

What also is evident from the statistics presented by Dr. Traver, is the number of accused persons who are absolutely excluded by blood tests -- they cannot possibly be the fathers -- 30%.

These are the people who will most benefit from maintaining the limited right to representation for indigents. These are the people who, if the court has not already ordered blood tests, will benefit by the simplest advice a representative can give -- to take the blood test. Other indigents who will still be eligible for representation are those whose blood test probability of paternity falls below 99% -- this is 28% of the number of persons who take blood tests. These are people for whom there is some serious doubt as to paternity, according to the advice of Dr. Traver.

Of course, it must not be overlooked that this number of persons who have taken blood tests in Dr. Traver's study does not represent the full universe of men alleged to be the fathers. Many will acknowledge paternity. For those who acknowledge paternity, there will not be any representation at all, because the cases are not disputed.

VIII. While, as the List of Favorable State Supreme Court and Wisconsin Circuit Court Decisions Indicates, it is Irrelevant Whether Paternity Proceedings are Characterized as Civil or Criminal, IN FACT, the U.S. Supreme Court Characterizes Paternity Proceedings as QUASI-CRIMINAL and Not Civil.

The Department of Administration has, from time to time, attempted to characterize these proceedings as civil actions, not requiring the appointment of counsel. First, both the Wisconsin Supreme Court and the United States Supreme Court have ruled that the Constitutional Right to Counsel extends to civil actions as well as criminal. In Wisconsin, Ferris v. Maas, 79 Wis 2d 542, 249 N.W. 2d 789 (1977), so ruled, relating to a violation of administrative orders. The U.S. Supreme Court has ruled there is a Constitutional right to counsel in mental commitment and juvenile cases. Secondly, all of the state supreme court decisions referred to in this memo regarded the question whether these are criminal or civil proceedings as irrelevant. Finally, in any event, the U.S. Supreme Court has pronounced these to be quasi-criminal in nature.

1981 U.S. SUPREME COURT DECISION:

"The nature of paternity proceedings in Connecticut also bears heavily on appellant's due process claim. Although the state characterizes such proceedings as 'civil,' see Robertson v Apuzzo, 170 Conn. 367, 372-373, 365 A2d 824, 827-828, cert denied, 429 US 852, 50 L Ed 2d 126, 97 S. Ct. 142 (1976), they have "quasi-criminal" overtones. Connecticut Gen Stat § 46b-171 (1981) provides that if a putative father 'is found guilty, the court shall order him to stand charged with the support and maintenance of such child' (emphasis added); and his subsequent failure to comply with the court's order is punishable by imprisonment under Conn Gen Stat §§ 46b-171, 46b-215, and 53-304 (1981)." [emphasis added]

Little v Streater, 452 U.S. 1, 68 L Ed 2d 627, 101 S. Ct. 2202 (1981), where the Court held that it is a violation of the Due Process Clause of the United States Constitution to deny pre-paid blood tests for indigent defendants.

**TESTIMONY IN OPPOSITION TO  
PROPOSAL TO CUT SPOUSAL IMPOVERISHMENT PROVISIONS  
Annette Howards  
March 27, 1995**

I would like to address my concerns regarding the proposal to decrease the Medical Assistance Spousal Impoverishment limits.

Eight years ago, as a result of a massive stroke, my husband became a permanent resident at a local nursing home. This was accomplished with the help of Medicaid. At that time, all his Social Security, plus a mandatory monthly payment from me was required to finance his residency. It was the most stressful time of my life, trying to meet daily living expenses, rising property taxes, all on a part-time salary, as well as dealing with the emotional trauma of losing my husband to the nursing home.

Fortunately, several years later, the Spousal Impoverishment Act was passed. I was able to draw on my husband's Social Security. With these new guidelines and by careful budgeting, I was able to save and retire at age 69 and live a less stressful life. After numerous frantic phone calls, I have been assured that even if this proposal becomes law, my personal situation, as regards my savings, will not change. This provided me with tremendous relief. But I come today to speak to you on behalf of the thousands of other current and future nursing home residents and their spouses whose lives would be devastated by this proposal.

Now by changing the existing guidelines, you are turning the clock backwards. Assets limited to \$14,532 can be quickly depleted by any major household repair, leaky roof, furnace, car, etc. Cutting assets in half above the \$14,532 by requiring a spenddown is again inviting disaster. These assets that have been so carefully saved to prevent going on welfare, would now be quickly expended to meet the new lower guidelines. Elderly people on a fixed joint income of Social Security, and perhaps a small retirement pension may find themselves just borderline on the proposed \$1,640 a month income allowed.

Even spending down to one-half of existing assets would not guarantee eligibility for Medicaid since under the proposal, monthly income would in many cases exceed existing lowered guidelines. Considering the cost of medical insurance for the spouse at home, rising property taxes, mortgage payments, ordinary living expenses, this becomes an unreasonable expectation. OOPS! I'm sorry. This proposal is to LOWER my property tax. It's the assessed value that goes up!

At present, the spouse at home is a contributing taxpayer to society. Enact the Governor's proposal and you are setting up another potential welfare recipient.

-- over, please --



With the present "lien law" you can look forward to partial or full repayment for support expenses. Thus, the state will be repaid our "debt." In conclusion, I want to stress that the proposal to change Spousal Support is NOT a money savings proposal but has the potential of unnecessarily adding the supporting spouse to welfare roles. This not only adds a financial burden to the state, but can cause emotional and undue financial stress to the supporting spouse. We are survivors of a generation that prides itself on self-sufficiency even in the worst of times. Let us live out our lives in dignity and respect.

Thank you.

March 27, 1995

Testimony before the Joint Committee on Finance:  
Representative Ben Brancel and Senator Joe Leraan, Co-Chairs

by George Hagenauer, Assistant Director Community Coordinated Child Care (4-C)  
Serving Dane, Dodge, Jefferson, Columbia and Sauk County  
Call 608-271-9181 for additional information or the studies referred to in this paper

4-C is a local resource and referral agency that provides support services related to child care to parents, family child care providers, child care centers and the broader community- all of whom are also represented on our Board of Directors. As such we need to take into account all viewpoints, not just those of child care professionals, when evaluating child care issues.

In my 25 years of working and often living with low income families, I've been aware of **two major barriers that keep families on welfare- an inability to afford child care costs, and fear of losing their medical coverage.**

As such, I find it interesting that in this year of proclaiming "welfare reform", that both the federal and state government are massively reducing as opposed to increasing child care funding. 16% of the federal child care block grant dollars currently in the state budget have been already cut on the federal level. **HALF** of the child care food program funding for small family child care homes has also been cut, ending a major subsidy that helped fuel the growth of family child care and helped stabilize this important resource.

**Now the Governor's budget shifts \$13 million from state funded low income child care into general payments to the counties during the same year that other resources, critical to serving low income people and the disabled are being cut.**

I support the need for increased flexibility in spending child care and welfare dollars at the local level. Too often we've seen families leave welfare only to return when they could no longer afford to pay for child care. In Dane County, there are about 500 families currently on waiting lists for child care subsidies; there are also no unspent welfare dollars. For welfare reform to work, we need to be able to fund families's child care costs for a longer rather than shorter period of time. While there will be future savings if welfare reform works, it's important that especially during the first several years there will be more not less funding for child care. This is especially true this year when you are already starting in the hole due to potential cuts from Washington.

Unfortunately **there is no substitute for funding.** For welfare families to stay employed, they need stable quality child care usually for 50 hours a week. No employer is going to keep employed a worker who is continually taking days off because they have lost their child care. The free market nature of the child care system already keeps rates so low that many areas can't maintain child care centers. In two of the counties that we serve, centers have closed and no others have been opened since it isn't financially feasible to provide care. After all most full-time child care workers earn less than \$13,000 a year. Most family child care providers clear less than \$10,000 after expenses. It is not easy to find anyone- much less a highly skilled teacher to enter a field that has such minimal financial awards. Figuring that lowering the already minimal quality standard will save money is false. **For child care to work, child care providers need to earn a living wage. Otherwise you don't have a stable base for much of the work-force.**

**You need to budget more not less funds for child care and welfare reform.** If people don't have additional children, the need for Child care lasts no more than a few years. Paying the cost for welfare families gives them the opportunity to work and gain job experience that will enable them to increase their income and stay off of welfare. It's the most important investment in welfare reform and good quality care -especially- provides a double benefit as children in high quality care enter school ready to learn.

3/23/95

Dear Joint Financial Committee,

I am concerned about the Rightful State Statutes 91+92 (Wis. Statutes) Page 1057.

We do not want D.V.R. and Home-based Enterprise programs cut, but restored.

I'm a newcomer to the program. I had been a Hairdresser for 22 years. I had neck surgery and have limited neck movement. I had to give up my career in Hairdressing.

D.V.R. is working with me in getting Crafts business started in my home.

I need the services I am now receiving.

Thank-you,

Kathryn L. Hudson  
2565 Sunset Dr.  
Beloit Wi 53511

3-23-95

IT HAS COME TO MY ATTENTION  
THAT D.V.R. IS ON THE  
CHOPPING BLOCK FOR BUDGET  
CUTS. I HOPE THEY CAN BE  
SPARED BECAUSE OF THE  
WORK THEY DO.

THEIR HOME BASED  
BUSINESS PLAN HAS HELPED  
ME AND MANY OTHERS, TO  
GO ON AFTER HAVING AN  
ILLNESS OR INJURY THAT  
ENDS YOUR ABILITY TO DO  
THE JOB YOU'RE TRAINED IN.  
THE PEOPLE THAT GO TO  
D.V.R. FOR HELP ARE PRODUCTIVE  
PEOPLE WHO HAVE MET WITH  
UNFORTUNATE CIRCUMSTANCES  
& WHO NEED ENCOURAGEMENT  
AND DIRECTION TO DO SOM-  
ETHING CREATIVE & PRODUCTIVE  
WITH THEIR LIVES.

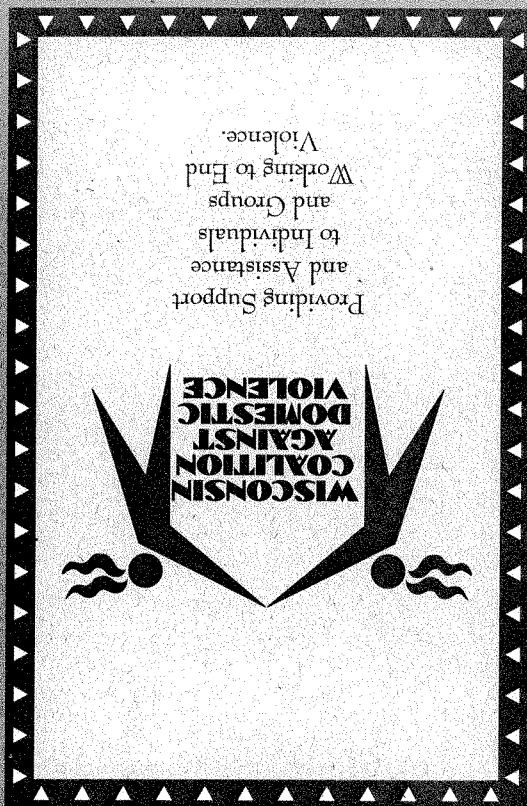
MY ASSOCIATION WITH  
THIS AGENCY, HAS ALWAYS  
BEEN POSITIVE. THE PEOPLE

HAVE OFFERED POSITIVE  
& ENCOURAGING GUIDANCE  
AT A TIME I REALLY NEEDED  
IT.

IT IS MY HOPE & MY  
~~WISH~~ WISH THAT IT CAN BE  
SPARED FROM ANY  
AUSTERE BUDGET CUTS  
SO AS THEY WILL BE AROUND  
TO HELP OTHERS AS THEY  
HELPED ME.

Ever J. Johnson

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Providing Support  
and Assistance  
to Individuals  
and Groups  
Working to End  
Violence.



1400 East Washington Avenue  
Suite 232  
Madison, WI 53703  
(608) 255-0839  
FAX: (608) 255-3660

## The Wisconsin **COALITION** Against Domestic Violence **IS...**

...a statewide membership organization of domestic abuse programs, formerly battered women, and other individuals who have joined together to speak with one voice against domestic abuse. As a statewide resource center on domestic violence, we offer services such as:

- ▼ Training and technical assistance to domestic abuse programs.
- ▼ A quarterly newsletter.
- ▼ Forums for the involvement of battered women.
- ▼ Training for professionals in legal, medical, social service, child welfare, education, and mental health agencies throughout Wisconsin.
- ▼ Access to our print and film lending library.
- ▼ Technical legal assistance and limited funds to acquire direct legal assistance.

In addition, we work for victims of domestic violence, their children and domestic abuse programs by:

- ▼ Advocating for new funding for domestic abuse programs and services.
- ▼ Monitoring federal and state legislation and social policies that may have an impact on victims.
- ▼ Organizing domestic abuse advocates to speak at public hearings and events about the effects of domestic violence.
- ▼ Initiating legislation supporting victims of domestic violence.
- ▼ Advocating to improve system and institutional responses to domestic violence.

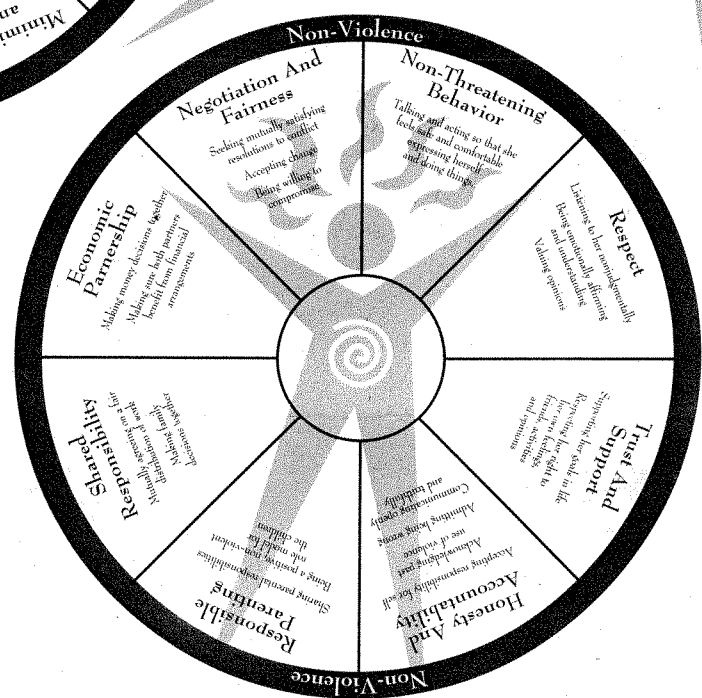
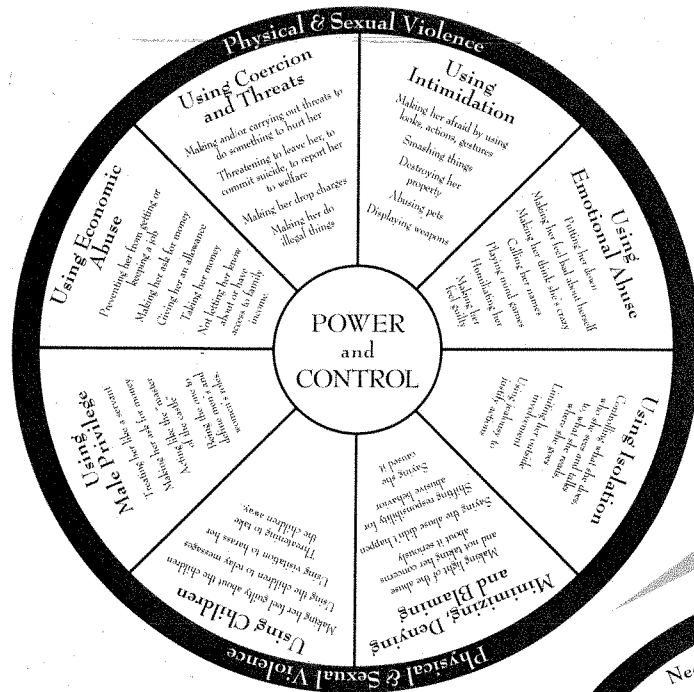
## General **FACTS** About Domestic **VIOLENCE**

### In the United States...

- ▼ Approximately 95% of the victims of domestic violence are women.
- ▼ A woman is more likely to be assaulted, injured, raped, or killed by a male partner than by any other type of assailant.
- ▼ An estimated 3 to 4 million American women are battered each year by their husbands or partners.
- ▼ Children in homes where domestic violence occurs are physically abused or seriously neglected at a rate 1500% higher than the national average in the general population.
- ▼ Eleven women are killed each day by a partner or an ex-partner.
- ▼ 85% of the women murdered by batterers had left their abusers.
- ▼ In 1990, 63% of youthful offenders who committed murder, did so to stop the abusers of their mothers.

### In Wisconsin...

- ▼ In 1993, of the women killed in domestic homicides, 100% were killed by men.
- ▼ Each year, domestic abuse programs provide more than 100,000 nights of stay for women and children fleeing violent situations.
- ▼ There are over 660 battered women for every shelter bed available.
- ▼ Annually, statewide domestic abuse programs handle over 50,000 crisis calls.



### Domestic Abuse Programs In Wisconsin

CITY	PROGRAM	PHONE #
Antigo	AAVAIL	715-623-5177
Appleton	Ontonagon Domestic Abuse Program	414-832-1666
Ashland	New Day Shelter	715-682-9566
Baraboo	Hope House	608-356-7500
Beaver Dam	P.A.V.E.	414-887-3785
Beloit	Salvation Army	608-365-6572
Chippewa Falls	Family Support Center	715-723-1138
Eau Claire	Bolton Refuge Home	715-834-0628
Ellhorn	ADPV	414-723-4653
Fond du Lac	PAVR	414-922-7760
Green Bay	Family Violence Center	414-498-8282
Hertel	St. Croix Alternatives to Violence	715-349-2195
Hurley	Secure	
Janesville	YWCA Alternatives to Domestic Violence	608-752-5445
Jefferson	Women Reaching Women	414-674-6768
Kenosha	Women's Horizons	414-652-1846
Keshena	Domestic Violence/Intervention Project	715-799-3861
Kewaunee	Kewaunee Co. Domestic Abuse Services	414-388-0811
Lac du Flambeau	Lac du Flambeau Domestic Abuse Program	715-588-7660
	Native American Hot-Line/Statewide Shelter	800-236-7660
LaCrosse	New Horizons	608-791-2600
Ladysmith	Time-Out Family Abuse Shelter	715-532-6976
Madison	Dane Co. Advocates for Battered Women	608-251-1237
Madison	LAVENTAR	608-233-7447
Madison	WEAVE	608-258-0077
Manitowoc	Domestic Violence Center	414-684-5770
Marinette	Rainbow House	715-735-6656
Marshfield	Personal Development Center	715-384-2971
Marshfield	Harmony House	715-389-4663
Mauston	Crystal Haven	608-847-4610
Medford	Stepping Stones	715-748-3131
Menomonie	West Central Domestic Abuse Project	715-235-9074
Merrill	HAVEN	715-536-1300
Milwaukee	Community Referral Agency	715-825-4414
Milwaukee	Task Force on Battered Women	414-466-1660
Milwaukee	Milwaukee Women's Center	414-272-6199
Milwaukee	Sojourner Truth House	414-643-1777
Milwaukee	Daystar-Transitional Living Program	414-342-6080
Milwaukee	ASHA-Family Services	414-445-ASHA
Munroe	Green Haven	608-325-4711
Neenah	Regional Domestic Abuse Services	414-729-5727

CITY	PROGRAM	PHONE #
Claremont	NEWCAP	414-834-4621
Onesida	Onesida Tribe Domestic Abuse Program	414-869-2214
Phillips	Family Violence Task Force	715-428-2814
Platteville	Family Advocates, Inc.	608-348-5995
Portage	S.T.R.I.V.E.	608-742-7677
Racine	Women's Resource Center	414-633-3233
Rhinelander	Tri-Co. Council on Domestic Violence	715-362-6841
Richland Center	Passages	608-647-6317
River Falls	Turningpoint for Victims of Domestic Violence	715-425-6751
Saukville	Advocates, Inc.	414-284-6902
Shawano	FACES	715-526-3421
Sheboygan	Safe Harbor	414-452-7640
Stevens Point	Family Crisis Center	715-346-6511
Sturgeon Bay	HELP of Door County	414-743-8818
Superior	CASADA	715-392-3136
Viroqua	Vernon Co. Domestic Abuse Project	608-637-7052
Waukesha	Sister House	414-547-4600
Wausau	The Women's Community	715-842-5663
West Bend	Friends of Abused Families	414-334-5598
Wisconsin Rapids	Family Center	715-421-1511

### Domestic Violence Occurs Among All Races And Socioeconomic Groups.

Yes, I'd like to help...

Supporting Member..... \$25.00\*      Please make checks payable to: WCAVW

Donation.....      1400 E. Washington Ave, Suite 232  
\*Contributions are tax deductible.      Madison, WI 53703

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_  I'd like to volunteer.

This organization is a member of Community Shares of Wisconsin. Concept, design and production donated by Amantoux Creative, Madison, WI & Boulder, CO. 608-526-7565