

Page 1

6h

~~I AM VERY HAPPY TO BE~~
~~HERE DAY. I AM GOING~~
~~TO TELL MY SORRY.~~

~~I AM 47 YEARS~~
~~OLD~~ AND I HAVE
CEREBRAL PALSY WHICH
I WAS BORN ~~WITH~~ WITH
WHEN I WAS 8 YEARS
~~OLD~~ ~~WAS~~ WAS PUT IN
SOUTHERN WISCONSIN
CENTER FOR TEN
YEARS. AND NOW
~~I AM~~ I LIVE ON
MY OWN NOW

Page 2

I live in apartment

and also I pay ~~my~~

my own rent. and

I do have ~~for~~ a

job and also I am

going to school

too. I like to

get my high school

diploma. and also

I like own my

apartment some

day. and this is

I don't

why ~~want I want~~

I don't want this

Page 3

PROGRAM CUT OUT
NOW. YES I DO KNOW
THAT OUR STATE
IS RUNNING OF
MONEY, BUT MONEY
IS NOT EVERYTHING
IN LIFE
THANK YOU

Joanne P. Kanter
2136 E. Main St
Madison WI 53704

Testimony on Assembly Bill 150

I am profoundly concerned about several of the proposed reductions in the human services provided by the State of Wisconsin. I have been proud of our ability to provide as well as we have for our elderly and disabled population. I am afraid that these cuts will not only erode that fine tradition, but also threaten the safety and wellbeing of our citizens. As a taxpayer, I am not interested in a tax "cut" that may leave me a few dollars at the expense of the disabled and elderly. I sincerely hope that you legislators will stand up for what is humane and amend these budget proposals to support the people of Wisconsin.

I will focus here on the elimination of state SSI to recipients who do not already receive federal SSI; the elimination of Medically-Needy Institutional MA; and the elimination of MA personal care benefits. As an Economic Support Specialist for Dane County, I work daily with the population that will suffer the effects of these reductions. I am also aware of the cost-shifting that will inevitably occur as we provide these services in another form or under another umbrella.

I am appalled at the proposal to eliminate state SSI to recipients who do not already receive federal SSI. How can the Governor say that he wants to encourage people to work when this proposal punishes those who have worked? Under this proposal, recipients who have over \$478 of earnings from their own or a spouse/parent's record will be ineligible to receive the state SSI that will bring them up to the \$541 standard that will be received by recipients who have less or no earnings from their own record. If the intent is to save money, then we should cut the supplement back equally across the board, not placing the burden on only a few.

It is said that the state will save money by no longer paying the Social Security Administration to administer the state supplement. As one who determines eligibility for Medical Assistance for elderly and disabled persons, I am well aware that most of the recipients who lose SSI, and thereby MA, will be applying for MA through their local county human service agency. Luckily, MA will be available there for the great majority of them. The state will then be paying the counties, instead of the SSA, to administer these cases. What the state doesn't pay toward this administration will be cost-shifted to the counties. Perhaps it would be preferable to administer the state SSI and MA at the county level as is done in some other states. But a cost savings...? Think again!

As to the proposal to eliminate Med-Needy Institutional MA, nowhere have I seen a plan for how to provide for those people who will be denied access to this program, but have no more assets to pay for their nursing home care. What do I say to the next family who comes in to apply for their loved one who has worked hard at a well paid job for many

years and has now exhausted his or her assets paying \$3200/monthly for needed nursing home care? "I'm sorry, but your parent has a \$1600/month pension which makes him or her ineligible for nursing home MA. I guess you'll have to pay the other \$1600/month from your tax savings." What is that family to do? There are currently no state nursing home alternatives. And why should the pensioner with \$800 income be eligible for assistance of \$2400/month whereas the pensioner requiring only \$1000/month of assistance be left without the same opportunity for care? I realize that the state will save some money with this proposal, but at what cost. Do you really want to send the message that it is not beneficial to strive toward higher earnings and a comfortable retirement income?

Lastly, I wish to address the proposal to eliminate personal care as a MA benefit. Our citizens who currently use this program do not choose to have someone help with their personal care as a frill, it is a necessity of daily life, and should be viewed as such as an entitlement. Once again, this is a cost savings that will become a cost-shifting of a greater magnitude. In transferring these funds to county jurisdictions, we not only lose the federal share under MA, but also jeopardize the use of the funds for personal care as counties are stretched to provide for other mandated programs from the same funding pot. Without the comparatively minor support of personal care, many of these recipients will need institutional placements which will cost many more state and federal dollars. And what price do we put on quality of life?

While I agree that there are adjustments to be made and programs that can be streamlined, I sincerely hope that you as legislators approach those changes with caution and compassion. Scrutinize each proposed reduction as to its true cost savings and its cost to a society that proports to care for all of its citizens. There is wave of change surging through this country. Please divert that energy to good use instead of dragging us all into the seething undertow where the weak will perish and only the strongest survive. That is not our way here. Wisconsin can show the nation that we can all ride the top of the wave together.

Joanne A. Kanter

Good afternoon committee members,

Thank you for this opportunity to testify today. My name is Elizabeth Hecht and I am the mother of a 6 year old who has a variety of disabilities as a result of cerebral palsy. I am terrified that the day may come when we are forced to put him in an institution because the support programs that help us care for him will no longer exist. These programs are not expensive, the supports do not cost the state very much, but they mean everything to us.

I am here today to ask you to protect the few public resources our family uses which enable us to care for our son in our home and allow us to work. These are MA personal care and The Family Support Program.

Please reinstate MA personal care into the budget with no changes. This is the only program which provides personal care for eligible children. The COP and other community care dollars have long waiting lists and are not readily available to children. My son is eligible, given his level of disability, for institutionalization at Wisconsin's Central Center at a cost minimum of \$68,000/year. The cost of my son's personal care to the State is about \$4700/year. Without this assistance, not only is my son's quality of life reduced in concrete ways, but I will be forced to quit my job.

Please earmark the Family Support Program dollars that are currently proposed to become part of the Community Aids pot for that use. If Family Support dollars are not earmarked for that purpose there is nothing to ensure that the money will actually be used for this purpose. This program has helped us purchase a few of the many items essential to my son's care which we cannot otherwise afford and which are not covered by our health insurance. We will be even less able to afford the things he needs after I am forced out of the work force by the elimination of personal care.

Representative Brancel and Senator Leean have proposed using the revenue gained by reducing the tax cut to the very wealthy to help fund this program and I support this proposal. The Governor is also proposing a substantial increase in the nursing home budget. Why not redirect some of that increase to the State's share of personal care? This would be more cost effective, and would allow many people to live and work in the community who otherwise would be forced into those nursing homes at a much greater cost of care.

I feel as if my family, in particular my wonderful son, is under attack. We are trying to raise our son to think of himself as a fully participating member of our society. We believe that he can have a great deal to contribute to society. Little does he know that the societal fabric which makes our vision possible today is now under attack by those who value the bottom line above all else and who would sacrifice his freedom, his dignity, and his future in an attempt to impress voters with their tax cutting prowess. Please don't.

Thank you for your time and consideration.

Elizabeth Hecht 1483 Sunrise La. Belleville, WI 608 845-9499

Elizabeth Hecht

Lincoln Elementary School
909 Sequoia Tr.
Madison, WI 53713
March 27, 1995

Joint Finance Committee
State Capitol
Madison, WI

Members of the Committee:

I am a fourth grade teacher at Lincoln Elementary School in Madison. I address you here regarding the proposed cuts in the budget at the MacKenzie Environmental Center as both a teacher and a citizen of the state.

I have had an association with the MacKenzie Center that dates back more than 10 years. I attended conferences for adults on a range of environmental topics and became a volunteer worker. For about 5 years I was involved with the bluebird restoration project at the Center, making bird boxes, placing them and monitoring the bluebird activity throughout the summer.

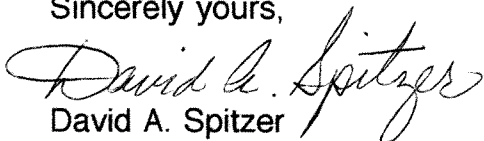
I became very aware of the educational outreach function of the MacKenzie Center to school groups and to citizens at large. The display buildings, interpretive hiking paths, forestry and prairie projects, Wisconsin animal displays, bluebird trails and maple syrup gathering demonstrations (going on at this very time in March) represent a wide range of opportunities to learn and understand our Wisconsin landscapes.

The residential center at MacKenzie, which facilitates overnight conferences for adults and school sessions for kids, is superb. The school program at this center, directed by Mr. Bill Worthman, challenges youth to learn and respect their fragile earth.

The staff and its resources should be *increased* at the MacKenzie Environmental Center beyond its present level. It is sheer nonsense to suggest that any protected landscape anywhere be put into jeopardy. To suggest that a property of this status which is also a *teaching* facility be shortchanged in any fashion is unthinkable. Thousands of students and thousands of Wisconsin citizens yearly partake of this DNR gem. More should be given this opportunity.

I appeal to you today to maintain all previous budgeted funding for the MacKenzie Environmental Center. Additionally, I would request that you consider increasing the resources available to the staff. In the spirit of the 25th anniversary of Earth Day, let's make clear the priorities involved with maintaining a healthy environment through education.

Sincerely yours,


David A. Spitzer



NATIONAL ASSOCIATION OF SOCIAL WORKERS

TESTIMONY PRESENTED ON MARCH 27, 1995 TO THE WISCONSIN LEGISLATIVE JOINT FINANCE COMMITTEE BY THE WISCONSIN CHAPTER, NATIONAL ASSOCIATION OF SOCIAL WORKERS, REGARDING THE SOCIAL WORKER TRAINING CERTIFICATE PROVISION OF ASSEMBLY BILL 150

My name is Marc Herstand. I am the Executive Director of the Wisconsin Chapter of the National Association of Social Workers. Today I would like to present the position of our Association on the Social Worker Training Certification provision found in Assembly Bill 150.

First I am quite surprised that this item is still in the budget. Last year a somewhat similar provision was removed from the budget and referred to the appropriate Senate and Assembly Committees. We have felt that this provision met the criteria for items not appropriate for the budget in that it is clearly a policy not a fiscal item and it doesn't impact on the budget of a state agency. Perhaps with all the major budgetary and policy issues you were considering that this item was overlooked. If so, we would like to request again that the Joint Finance Committee remove this item from the budget and refer it to the appropriate Senate and Assembly Committees.

However if you choose to keep this provision in the budget, I would like to provide our perspective on this item and some proposed changes in wording.

The Social Work Training Certificate is proposed as an amendment to Wisconsin Act 160 which certifies social workers, marriage and family therapists and professional counselors. Under Wisconsin Act 160 which passed the legislature in 1992, a person may not use the title "social worker" unless he or she is certified in one of the four social work categories by the State of Wisconsin. Effective June 1, 1995, only individuals with degrees in social work who have completed a national and state exam will be certifiable. Wisconsin Act 160 had established a "grandfathering period" ending on May 31, 1995 which allowed certain individuals with other degrees who had been practicing as social workers to obtain certification. This "grandfathering period" was established so that no one without a social work degree who was working in that capacity would lose their livelihood. The "grandfathering period" also gave counties and other social work employers time to adjust their recruitment and hiring processes to the new law.

Since social work certification began in May, 1993, over 9,000 individuals have been certified in one of the four categories of social work certification. This past October when about 7800 people had been certified NASW did a county by county analysis of certificate holders. We found at that time that every single

county in Wisconsin had social workers certified in at least one of the four levels. The largest number of individuals certified are found at the Bachelors or entry level. Secondly during the months of December 1994 and January and February 1995 NASW conducted a phone survey of Wisconsin's 72 county human or social services departments to determine if they would be using our new job listing service and if they found it difficult to get certified or certifiable BSW candidates for social work position. In a majority of counties we spoke with the Director of the Department. Of Wisconsin's 72 counties only eight counties reported difficulties in finding certified or certifiable BSW applicants for social work positions. Five of these counties are located in northern Wisconsin and the other three counties are located in southwestern Wisconsin. One of the reasons why there is generally not a shortage of social worker applicants is that Wisconsin now has 16 accredited or preaccredited undergraduate social work programs that are scattered geographically across the state. These programs graduate over 450 candidates per year. In addition there are social work programs in Iowa, Minnesota and Illinois that also supply applicants for social work positions in Wisconsin.

Last fall as a result of some concerns about the bill expressed by a few counties and some Sociology and Psychology programs, Secretary of the Department of Regulation & Licensing Marlene Cummings convened a series of Advisory Committee meetings on the social work certification bill. Although NASW's position has been that there is no need at this time for any revisions to the certification bill, in the spirit of trying to compromise we did offer an emergency hardship waiver proposal at the second meeting. Our proposal was based on a compromise proposal we had developed with the Wisconsin Social Services Association the previous year and had actually been included in an early version of Wisconsin 160. Our proposal would have allowed counties or other employers that had made a good faith effort to recruit a certified social worker but were unsuccessful to obtain an emergency hardship waiver. The individual receiving this waiver would be required to take continuing education activities during the course of their employment. Their certification would be limited to that position at that agency. Although we felt our proposal was a reasonable compromise and addressed the concerns of Wisconsin counties, it met with objection from the Sociology and Psychology professors at the meeting.

At the last meeting of the Advisory Committee, the Chair of the Examining Board presented another compromise that forms the basis of the social worker training certificate. This compromise was found acceptable by a majority of participants at the meeting. NASW has taken a neutral position on this proposal.

The social worker training certificate has the following provisions. First it allows individuals with a bachelor's degree in psychology, sociology, criminal justice or another human service program approved by the Social Workers Section to obtain a two year social worker training certificate which would allow them to work

as a social worker. During the two year period of the training certificate the individual must 1)complete certain specified coursework at a social work program; and 2)complete either a human services internship of at least 400 hours supervised by a bachelor's or master's degree social worker or complete one year of social work employment in direct practice with clients under the supervision of a bachelors or masters level social worker. The social worker training certificate proposal also allows previous coursework or internships to be considered by the Social Workers Section as possible meeting all or some of the requirements for the training certificate. If the individual holding a social worker training certificate has completed the requirements within two years, he/she would then be allowed to take the national social work exam and be certified as a social worker(if they pass the exam).

NASW is proposing two wording changes to clarify the intent of this proposal. First we propose changing 457.09 5(a) to read, "Following the completion of requirements under sub. (4) within 24 months or less, a social worker training certificate holder shall take the national social work examination." The reason we are proposing this change is that the current wording seems to contradict the other provisions of this proposal. While provisions 1 & 4 require the social worker training certificate holder to complete certain specified coursework and a supervised internship or employment, provision 5(a) seems to allow a social work training certificate holder to take the national exam at the end of 24 months regardless if they have completed the coursework and internship or employment required through this proposal. Our proposed wording change would eliminate a potential unintended loophole in this bill.

The second change we would like to recommend is found in (4) (a). We propose rewriting this section to state: Seek to attain social worker degree equivalency by completing courses relating to all of the following in a social work program accredited or pre-accredited by the Council on Social Work Education. This wording change would bring the proposal in line with the wording of Wisconsin Act 160.

We appreciate your consideration of our views on this topic. I would be now happy to answer any questions.



NATIONAL ASSOCIATION OF SOCIAL WORKERS

WRITTEN TESTIMONY PRESENTED ON MONDAY MARCH 27, 1995 BY THE WISCONSIN CHAPTER, NATIONAL ASSOCIATION OF SOCIAL WORKERS TO THE WISCONSIN LEGISLATIVE JOINT FINANCE COMMITTEE ON THE TOPICS OF WELFARE REFORM, JUVENILE JUSTICE AND SSI

The Wisconsin Chapter of the National Association of Social Workers appreciates this opportunity present our view on three social welfare issues in Assembly Bill 150: welfare reform, juvenile justice and SSI.

Before discussing these three social welfare issues, we would like to briefly comment upon how the promise of property tax relief has been handled in Wisconsin. Before Wisconsin passed the property relief bill, Michigan had passed a property relief bill. The major difference however was that the Governor and legislators in Michigan realized that if property tax relief was offered, some other tax would have to be increased to cover the lost revenue. The people of Michigan had an opportunity to vote on how to recoup the lost revenue. The people of Michigan voted for a sales tax increase. We believe it is not realistic to grant this huge property tax relief without increasing some other tax to cover the state money that will provide the property tax relief. Instead of proposing harsh cutbacks in needed social welfare programs and using future money to cover the property tax allocation, we believe a more honest way of handling the situation would be to make tough decisions on how to obtain the lost revenue. There are various state public interest groups that have developed different possible methods of recouping this money.

In terms of the budget, we would like to discuss three specific issues: the elimination of General Relief, the elimination of the state SSI program and juvenile justice programs. First we strongly oppose the elimination of General Relief. As Joint Finance Committee members may be aware, a recent survey by the Wisconsin Social Services Association shows that 48% of General Assistance recipients are disabled or incapacitated. Many have mental illness, chronic medical conditions, alcohol and drug abuse problems and/or short term medical problems. Some of these individuals may eventually obtain SSI; other may not be disabled enough to qualify. Those who are not able to qualify for SSI often are not able to consistently find and hold a job.

Aside from being a safety net for individuals who are mentally ill, have chronic medical conditions, alcohol and drug abuse problems and/or short term medical problems, it is also a safety net for divorced or widowed older women with no other form of support and for battered women with no children. Even in cases where the individual is young and able to work, there are many communities including Milwaukee where there is a drastic shortage of jobs

especially for unskilled workers. Many temporary agencies require individuals to have cars which general assistance recipients don't generally have available.

Many of you may be aware of the study conducted by the Michigan League for Human Services on the impact of the elimination of General Assistance in that state. Some of the more shocking findings were as follows:

- 1) The elimination of GA increased homelessness across Michigan. An estimated 20,000 recipients in the study counties experienced eviction following termination of the program.
- 2) Hunger in Michigan increased following termination of General Assistance. An estimated 27,000 former GA recipients went without food for 24 hours or more since the elimination of General Assistance
- 3) 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.
- 4) Case studies of former General Relief recipients indicated that most former recipients were less employable 15 months after termination of assistance than they were when the GA stipend was stabilizing their housing situation. Approximately 83% of former GA recipients were unemployed after GA was eliminated.

I do not think that the people of Wisconsin favor taking away the safety net for disabled, sick, battered, unemployed and unskilled women and men in this state.

SSI

On behalf of NASW I would like to voice strong opposition to Governor Thompson's budget proposal to discontinue the entire State Supplemental Security Income (SSI) for 17,038 people who currently do not receive Federal SSI. These people are just as poor as other SSI recipients, but because they receive Social Security Disability Insurance (SSDI) or work they are not eligible for federal SSI. Under the Governor's proposal when a single persons income or a combination of SSDI and earned income exceeds \$458 per month they will no longer be eligible for the state-funded SSI benefit. Therefore, a single person on regular SSI will lose SSI if his or her SSI check is less than \$83.78. A married couple where both partners get SSI will lose SSI benefits if their combined SSI is less than \$132.05. A married couple where only one partner gets SSI will lose SSI if the eligible person's SSI check is less than \$130.43.

Currently, people who are on SSI automatically get Medical Assistance, without having to make a separate application. The people who lose SSI under the Governor's proposal will have to apply to their county Social Services Department to keep Medical Assistance. They will qualify if they meet the income standard for being "Medically Needy". The Medically Needy standard is the same as the SSI payment standard with the state supplement (currently \$541.78) for single people. Most single people should still be eligible for Medical Assistance, but some will not unless they have medical expenses to offset part of their income or are eligible for a "waiver" program.

However, a married couple, where both get SSI will have to meet the Medically Needy standard for a couple (\$591.67). This is actually lower than the federal SSI payment standard alone. All of the couples who lose SSI under the Governor's proposal will therefore have countable incomes over the Medically Needy standard, and will only be able to get Medical Assistance by offsetting this "excess" income with medical expenses. The amount of "excess" income will range from about \$95 to over \$500 per month. For many people, these "spend-down" amounts will be impossible to meet.

The 17,038 recipients will experience an average loss of income of \$60 per month, some will lose as much as \$180 per month. This group includes 8,000 elderly people, 8,600 adults with disabilities, and 400 children.

The governor has proposed a 6.5% inflationary increase in state SSI benefits for people who receive federal SSI. NASW supports an SSI inflationary increase, but not for one favored group of recipients - all SSI recipients need and deserve an increase!

Juvenile Correctional System

On behalf of NASW I would like to voice strong opposition to the Governor's proposed budget on the Juvenile Correctional System. Under the Governor's proposed budget the Department of Corrections will be taking over many of the juvenile correctional services. This creates a more punitive approach to providing services for children in the State of Wisconsin.

Under current law, youth aids may not be used for children who are placed in correctional institutions on the basis of having committed certain violent offenses. The Governor's proposed budget will allow those children to be placed in the serious juvenile offender program administered by DOC, the bill eliminates payment for those children from the general purpose revenues.

The Governor's proposed budget also eliminates intensive aftercare program for children who have been released from secured correctional facilities, child-caring institutions and secure alcohol and other drug abuse treatment programs with the aim of reducing recidivism by determining what types and levels of intensity of services are effective for reducing recidivism for children on aftercare.

By shifting juvenile correctional responsibilities from DHSS to DOC the Governor's budget promotes punishment rather than rehabilitation of our children. This results in money flowing

from community support programs and service to institutionalized confinement. NASW feels this is the wrong direction our State should be taking in dealing with our children. Juvenile detention centers and training schools have historically been unsuccessful in rehabilitating children. These large institutions have been a costly failure.

NASW supports the development of quality treatment programs that provide a broad array of services. A new and holistic approach to the placement and treatment of children and youth must be encouraged. Treatment service must emphasize working with the entire family, rather than just the identified at-risk youth. Services and placements must not serve the institutional needs over the urgent needs of the youth served. Ethnic and culturally appropriate programs must be developed and funded. Administrative flexibility must be encouraged. Juvenile justice administrators should examine all their options and be willing to seek solutions that break the mold of their existing treatment systems and structures. New and diverse programs that focus on the individual needs of youths and that meet the requirements of public safety, must be developed and implemented. The state must both determine priorities and hold the providers of treatment services accountable.

March 27, 1995

To Members of The Joint Finance Committee

From Maureen Arcand
2610 Myrtle St.
Madison, WI 53704

Chair, Board of Dane County Welfare Rights
Board of Access to Independence

I HAVE SAT THROUGH JOINT FINANCE COMMITTEE HEARINGS ON STATE BUDGETS SINCE 1970. FIRST AS AN AFDC MOTHER OF SIX AND A WELFARE RIGHTS ADVOCATE AND THEN AS AN ADVOCATE FOR PEOPLE WITH DISABILITIES.

I HAVE NEVER NEVER SEEN A BUDGET WHICH PROPOSES TO HURT AND PUNISH AS MANY PEOPLE AS THIS ONE DOES. IT DOES IT ALL IN THE NAME OF PROPERTY TAX RELIEF, BUT AT WHAT COST AND TO WHOM? I'M NOW A SENIOR CITIZEN WHO DOESN'T WANT TO BE TAXED OUT OF MY HOME, BUT NOT AT THE EXPENSE OF PUTTING PEOPLE WITH DISABILITIES IN NURSING HOMES AND DEPRIVING CHILDREN OF ANY CHANCE OF GROWING UP TO BE PRODUCTIVE CITIZENS.

YES, IT WILL HAPPEN! PEOPLE WITH VERY SEVERE DISABILITIES ARE LIVING AND WORKING IN THE COMMUNITY WITH A MINIMUM OF PERSONAL CARE. MANY OF THEM HAVE REACHED A HIGH LEVEL OF INDEPENDENCE. TAKE THAT PERSONAL CARE AWAY, AND THEY CAN NOT FUNCTION. THE GOVERNOR SAYS "LET FAMILIES DO IT LIKE THEY DID THIRTY YEARS AGO." GOVERNOR, THE MOTHERS, SISTERS, AND WIVES WHO USED TO PROVIDE THAT CARE ARE OUT WORKING. THEY ARE NOT THERE, AND MOST FAMILIES WILL HAVE TO ACCEPT YOUR INVITATION TO PUT A FAMILY MEMBER IN A NURSING HOME.

YOU'RE TELLING MOTHERS ON WELFARE TO GO TO WORK AND YOU'RE GOING TO PUNISH THEIR CHILDREN IF THEY DON'T. YES, AFDC IS OUT DATED. IT WAS CREATED IN A TIME WHEN MOTHERS WERE SUPPOSED TO STAY HOME AND RAISE THEIR KIDS. NOW WE EXPECT MOTHERS TO BE OUT WORKING.

WE NEED TO FIX THE SYSTEM, NOT PUNISH KIDS. IT WILL NEVER BE FIXED AT ANY LEVEL BY SPENDING LESS MONEY. TO MAKE MONEY IN TODAY'S ECONOMY A PERSON NEEDS TRAINING, CHILDCARE, AND HEALTH CARE. UNTIL WE ARE WILLING TO GIVE WOMEN THESE TOOLS FOR AN APPROPRIATE LENGTH OF TIME WE WILL NOT FIX THE SYSTEM.

STOP AND THINK BEFORE YOU GO ALONG WITH THE IDEA THAT PEOPLE WANT PROPERTY TAX RELIEF AT ANY COST. LOOK FOR WAYS FOR OTHER SEGMENTS OF THE POPULATION TO BARE SOME OF THE BURDEN. WE ARE GRATEFUL TO THOSE OF YOU WHO ARE LOOKING AT NOT CUTTING PERSONAL CARE. PLEASE, LOOK AGAIN AND DON'T PUT ALL THE LOAD ON THOSE LEAST ABLE TO AFFORD IT.

MARCH 13, 1995

The Honorable Tommy Thompson
P.O. BOX 7863
Madison, WI 53707

Dear Governor Thompson:

I am writing on behalf of our daughter, Georgia Ann, age 6 1/2, and our whole family. Georgia Ann was born with a very rare genetic disorder, RCP, which has resulted in her severe lifelong disabilities. She needs help with feeding, diapering, position changing, bathing, special formula and food preparation, oral hygiene, and dressing. She has to be strapped into her wheelchair and she is medically fragile.

For the first two years of her life we took care of all her needs ourselves. This was very stressful. For the past four years Georgia Ann has had a personal care worker come to our home for 3 hours/day several times a week. This has been a lifesaver for all of us. The personal care worker takes such good care of Georgia Ann we feel confident to leave her for these short periods while we are at Boy Scout, Girl Scout, and school functions with our other three children. Our family of 6 functions because of these few hours of personal care a day. My husband works fulltime and I work parttime just to make ends meet. Our "normal" children love their disabled sibling dearly and help with her care to the extent of their age-abilities but they have been able to have a normal healthy childhood with the help we receive from the personal care program. When Georgia Ann was born it was suggested she be institutionalized. We are so thankful that she has been at home with us her whole life. I like to think that for 3 hours of personal care help we can handle the other 21 hours of care that she needs.

Personal Care is a government program that really helps and is cost effective for children with severe disabilities.

Sincerely,

Rebecca L. Brown

Rebecca L. Brown R.D.
137 25th Ave
Monroe, WI 53566



Welfare Warriors

4504 N. 47 Milwaukee, WI 53218

(414)444-0220 FAX (414)873-MOMS

Welfare Debate Omits Motherwork While Business and Government are Trapped in Escalating Cycle of Greed and Dependency

by Pat Gowens -March 1994

There are some glaring *omissions* in the welfare debate. Cowardly leaders and their media lap dogs sell welfare reform as a "work ethic" issue for the mostly single moms who receive AFDC *child support*. Moms ourselves are buying into this distortion. **WORK** is the issue here, but not the simple-minded way it has been packaged and sold to consumer America.

WORK is involved in the welfare debate in four ways:

1) Mothers **WORK** at home as caregivers but are not recognized as workers nor paid for our work. Popular welfare propaganda forces single moms into a double/triple workday—**with NO guarantee of government child support to supplement their women's low wages**. A double **WORK** day is oppression, not liberation. A double **WORK** day for families with a *lone* parent endangers children and families.

2) The **WORK** force is failing the heads of families, both fathers and mothers. Current welfare "reform" *forces single mothers* to take any existing bad jobs, and pretends that there are jobs if we just get the training. **This allows both business and the government to continue to eliminate jobs and reduce wages and benefits instead of creating jobs and raising wages**. **AND** By *forcing moms* to do the breadwinning **WORK** alone, neither business nor government have to create jobs for *fathers*. When fathers have no way to support a family, they lose their traditional role, their self-esteem and they become despairing, displaced and dangerously disoriented.

3) The **WORK** of caregiving has become so degraded and invisible that children no longer have a **RIGHT** to a loving caregiver, nor a childhood. Instead they are to be carted around like luggage to institutions and strangers who are working under slavery conditions as *underpaid* caregivers. As long as the **WORK** of caregiving is not recognized, all dependent minors, elders and disabled people are in danger. And all *paid* caregivers, will remain

underpaid and enslaved. (The Disability Rights Movement is also fighting for the right to have paid, good caregivers in their homes so they do not have to live in institutions. And like single moms they are fighting for the right to WORK—as many hours as they can—without losing their government support.)

4) The traditional U.S. "WORK ethic" is in fact basic to this war on welfare moms. The U.S. work ethic created our country's wealth. This work ethic was based on the *unpaid, forced WORK* of slaves doing a double/triple work day—both caregiving work and other productive work. Their "pay" was a hand-me-down shack and throw-away food and clothes. Sound familiar?

Americans Need

Guaranteed Family Support

AFDC welfare is a **CHILD SUPPORT** program created in 1935 to provide for dependent minors who do not have two parents to provide for them—either because a parent is dead, disabled, absent or unemployed. *Traditional values* always recognized that it takes *at least* two adults to maintain a family physically and economically. Thus if dad dies or becomes disabled, the children receive Social Security support until they are 18. If dad divorces, the law mandates that his children receive support from him until the children are 18. If dad abandons the family, there is AFDC.

Mothers are traditionally "dependent" on someone else to provide some of our *dependent* minors' support because our caregiving work is not paid/ underpaid, and is time-consuming. **(The average U.S. mom earns under \$10,000 a year.)** Those rare single moms who receive private child support, are not attacked or called "dependent" because their children receive support until 18. Nor are the widowed single moms maligned or punished because their kids get support—from the government—until they are 18. Wives are guaranteed support for their children until children become adults. They are not attacked or slandered because of their children's dependence. **None of these moms are criminals and cheats if they WORK to**

supplement their children's support. Only "welfare" moms are denied our children's support if we **WORK** or remarry.

The government has waste since 1935 by requiring paperwork policing and "fraud" investigations of families receiving AFDC child support. If an AFDC mom earns or receives \$25 or more she must report to big brother every month. Then big brother will reduce her children's support by that amount. If an AFDC mom manages to find another adult to help her with the children, *either physically or financially*, she must report to big brother immediately. Big brother will then reduce the families' food support if the other adult has any income. If mom actually marries the other adult, big brother will *take away the kids' support* and expect that man to support *the other guy's children*.

In order to enforce these ridiculous petty laws, big brother pays out **billions** to caseworkers and fraud investigators to catch mom in the *felony* crime of trying to make it i.e. supplementing her tiny \$350 - \$500 AFDC child support check from the government.

We must eliminate these medieval, expensive laws and replace welfare with a program like Social Security Survivor Benefits. But the new program must provide support for all children, not just those whose dads are dead or disabled and have work quarters. This new Family Support Program must, like Social Security Survivors' Benefits, allow moms to work or remarry without losing any of their dependents' support, without monthly paperwork policing, and without massive expenditures for bureaucratic meddling in family business.

Large numbers of children have come to receive their child support from the government instead of from their dads because: 1) The workforce has become less and less willing to pay fathers enough to stay with their families and 2) Dad's *irresponsibility* has been allowed, promoted and accepted (after he leaves his family) while single moms (on AFDC) are stigmatized as *irresponsible* and scrutinized/punished for *criminal* "cheating"-- **WORK** or new **relationships** ! *Neither of these two problems will be resolved by "fixing" moms into selflessly doing both breadwinning and caregiving WORK..*

Real Issues

Let's reframe this welfare debate to include the **REAL ISSUES**: the right of children to have a childhood, the right of dependent people to have loving, paid caregivers, the right of Americans to **WORK AND** receive family-supporting wages, the right for mothers to decide **WHEN AND HOW MUCH** we will do paid work around our families' needs, and the right for mothers to receive government support for dependent minors when we do paid employment and when we do full-time caregiving.

SOLUTIONS

Solutions to our child/family support problems:

We must *force* and *fix* **BUSINESS** and **GOVERNMENT**—not insignificant single mom families (*5% of the population who get 1/3 of 1 percent of our tax dollar*). We must **CONTROL** business and government with *laws* to make them:

- 1) **STOP** migrating to areas where they can abuse workers and the Earth (govt / business)
- 2) **STOP** using temporary workers (Kelly Girls LTE's, etc.) to do permanent work (govt /business)
- 3) **STOP** eliminating jobs by unnecessarily turning them into self-service businesses (govt /business)
- 4) **STOP** paying substandard "wages" and no benefits (business/government)
- 5) **STOP mandating** workers to do overtime instead of hiring additional workers (govt/ business)
- 6) **STOP** using unnecessary, excessive computerization of jobs (govt / business)
- 7) **STOP** paying caregivers slave wages or *no wages* and no benefits (govt/ business)
- 8) **STOP** spending *most* of our tax money on destructive weapons, wars and the wealthy (govt/business)
- 9) **START** recognizing the rights of families to exist: wages, benefits, childcare, flextime. (govt)
- 10) **START** providing **ALL** Americans **Guaranteed, Family Support** (govt)
- 11) **START** raising the minimum wage and guarantee all Americans medical care (govt)
- 12) **START** guaranteeing all Americans the *right to WORK* (govt)

SPEAK OUT!!! Let friends, family and co-workers know the truth about the need to reform business and the government out of their cycle of greed and dependence!! Demand the right to work! **DEMAND** the right to earn Family Supporting Wages!! **DEMAND** the right for children to have loving caregivers! **DEMAND** that Motherwork be recognized and included in all **WORK** debates. **DEMAND** Guaranteed Family Support for All Americans. Moms, **DEMAND** equality in the home as well as equality in the workplace! Stop shortchanging our children by buying into the insane idea that if we can't do the work of two or three adults, then we are inadequate or dependent. Call the Welfare Warriors to get involved: (414)444-0220 or (414)873-MOMS.

Dear Joint Financial Committee,

I would first like to make it clear that it is essential that the full funding of the Department of Vocational Rehabilitation (D.V.R.) and Homebase Enterprise Program be restored. If the funding is not restored or is even cut, it will scare more disabled people that have had their life ripped apart already. It is also essential that you not change the Rightful State Statutes--91-92 (Wisconsin Statutes on page 1057).

These programs are a life line to many people just like you but with disabilities (which could happen to you at any time but you can't comprehend the devastation of having a disability). You must not take that away from us. We need the teachers and the shops, without them our disabilities become a cage.

I have had a great change in my life that could happen to each and every one of you. I have become legally blind. I was lost in a world that I thought I know well and took for granted. My world went upside down. Then someone suggested D.V.R. Homecraft Program. I was given magnifiers and low vision aids (which I couldn't afford at that time) that helped somewhat with that part of the problem. The next is

what I was I going to do the rest of my life---an legally blind waitress was not a great idea. I was trying to finish college to be an art teacher and that wasn't a great idea either.

The Homecraft Program helped a great deal in making me feel I could create and make things. Later I developed a sweater line of my own. But making things is not all that is needed. I needed a way to get my designs into the marketplace as well as teach me how it all worked. That is where the shops came in. They give me a place to test and sell my designs. This takes time and things don't happen over night. After a few years I began to sell more and more. I had reached a point that I hired people to work on the sweaters. Several were people on the Homecraft Program. There was Pauline --a cancer victim who is now no longer with us. There were several others that I was able to teach that went on to do their own designing.

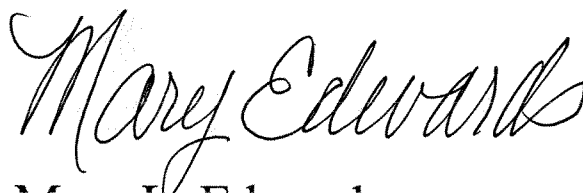
As for my sweater business --I have made approximately 8,000 sweaters in 11 years. Because of the years of experience with the shops I have learned to do business with other retail stores. I'm now looking to different marketing techniques which

the shops are helping somewhat in the development and giving valuable advice.

I'm teaching (which I didn't think I would be able to do) a group home arts and crafts which D.V.R. and the shops taught me. Because of them I have something to give society instead of taking from it.

To stand on one's own is what we all are raised to do as adults, not to be a total burden to society. We cannot do it without some help ----Please let us retain the help we get from D.V.R. and the shops. Let us stand on our own the very best we can.

With Sincere Hope That You
Will Hear and Understand,

A handwritten signature in cursive script that reads "Mary Edwards". The signature is fluid and elegant, with a large initial "M" and a long, sweeping tail on the "s".

Mary L. Edwards
229 South Pontiac Drive
Janesville, Wisconsin 53545
(608) 752-6933

LEGISLATIVE UPDATE

Coalition of Wisconsin Aging Groups

1245 East Washington Avenue, Suite 166

Madison, Wisconsin 53703-3040

Phone: 608/257-0023 Fax: 608/257-8929

Vol: 15 Issue: 1

February 23, 1995

Wisconsin 1995/97 Budget

As Feared, the Price of Property Tax Relief Is High

On February 14, 1995 Governor Tommy Thompson announced his 1995/97 state budget recommendations. As promised, the Governor submitted a budget which includes taking two-thirds of school operating costs off the property tax without raising income or sales taxes. But many people, including lower income persons, older persons, and people with disabilities will be seriously harmed by the Valentine's Day "present" to Wisconsin.

Long-Term Care Issues in the Proposed 1995/97 State Budget

- 1) ***Spousal Impoverishment Protections*** - The Governor proposes to reduce income and asset protections for the spouse at home when the other spouse is in a nursing home and eligible for Medical Assistance (MA). The asset level would be cut from the federal maximum of \$72,660 to the federal minimum of \$14,532. This would especially hurt couples with combined assets of \$20,000 to \$30,000 who would be forced to "spend down" to \$14,532 or one-half (e.g., \$15,000 for a couple with \$30,000 in assets). Couples with assets of \$145,320 or more would still be able to keep \$72,660 under this proposal.

Income levels would be decreased from the federal maximum of \$21,798 (224% of the federal poverty level) to \$19,680 (200% of poverty).

Projected savings = \$4.8 million the first year of the budget and \$11.1 million the second year.

- 2) ***Personal Care*** - The proposed budget would eliminate personal care as a Medical Assistance benefit and transfer \$15.4 million in state revenues to Community Aids. Counties would not be required to use the money for personal care or any specific purposes (e.g., Supportive Home Care). Also, this change will result in the loss of the 60% federal matching share under the MA program. (See discussion of Community Aids below). It is



The Mission of the Coalition of Wisconsin Aging Groups (CWAG) is: 1) to advocate for the special needs of older persons; 2.) to assure that older persons are recognized as people of dignity and worth; 3.) to affirm that older persons are partners in building the Wisconsin of tomorrow for people of all ages

estimated that over 5,000 people will be affected and the loss of the federal share will exceed \$50 million over the biennium.

- 3) **Medically-Needy Nursing Home Coverage** – The Governor's proposed budget eliminates Medically-Needy Medical Assistance coverage for nursing home residents. A federal waiver will be required to grandfather in current medically needy nursing home residents. The medically needy program helps people whose income is above MA eligibility levels but is not enough to pay the cost of nursing home care. As a result the medically needy nursing home resident pays a portion of his/her nursing home costs and MA pays the remaining amount after the resident's income falls below the MA eligibility limit.

An estimated 605 persons would be affected in FY 96 and 965 persons would be affected in FY 97.

Projected Saving = \$778,400 in FY 96 and \$4 million in FY 97.

- 4) **Nursing Home Income Limits** – The budget proposes to reduce income eligibility for nursing home care from 300% of the federal SSI level (\$1,374 a month for an individual) to 225% of the SSI payment level (\$1,030 a month). Nursing home residents currently eligible under the 300% limit would be grandfathered into the program. An estimated 1,640 persons would be affected in FY 96 and 2,630 persons would be affected in FY 97.

Projected Savings = \$1.7 million in FY 96 and \$6.3 million in FY 97.

- 5) **Repeal Act 469** – The Governor proposes to repeal Act 469 which is the law that allows a transfer of money to the Community Options Program (COP) when there is an actual savings in the number of nursing home days paid by MA from one fiscal year to the next. The rationale is that the savings identified in the nursing home budget cuts listed above is needed for property tax relief and, therefore, should not be transferred to COP in spite of the fact that Act 469 permits the Joint Finance Committee to transfer a lower amount than the reported savings.

- 6) **Community Options Program (COP)** – The proposed budget increases COP funding by \$8.7 million in the first year of the budget and \$11.1 million in the second year. This increase, however, reflects only the cost to continue serving the same number of persons served in FY 95. In other words, there is only enough money to serve the same number of people in FY 96 and FY 97 as were served in FY 95.

- 7) **Wisconsin Alzheimer's Information and Training Center (WAITC)** – The Governor's proposed budget would eliminate all funding for WAITC.

Projected Savings – \$200,000 in FY 96 and \$200,000 in FY 97.

- 8) **Nursing Home Ombudsman Program** – The proposed budget eliminates the Ombudsman supervisor position effective 1/1/96. In addition, the Medigap Helpline, operated by the Board on Aging and Long-Term Care (BOALTC), would be transferred to the Office of the Commissioner of Insurance (OCI) effective 1/1/96.

- 9) **Guardianship Grant Program** – The Governor proposes to reduce funding for this program by 50% and require matching funding from grantees.
Projected Savings = \$125,000 in FY 96 and \$125,000 in FY 97.
- 10) **Nursing Home Rate Increases** – The Governor proposes nursing home rate increases of 4.25% in FY 96 (\$14 million in state revenues; \$34.9 million total funds) and 5% in FY 97 (\$32.3 million state funds; \$80.2 million total funds). These increases will be partially offset by decreases in other areas.
- 11) **Assisted Living Initiative** – The Governor proposes a new assisted living option for community long-term care. An assisted living facility could provide up to 28 hours per week of supportive, personal and nursing care services; offer services that are chosen by mutual agreement between the facility and resident; and be certified by the Department of Health and Social Services if MA funds pay for care in the facility. In addition, only COP-Waiver and Community Intergeneration Program funds could be used and such funding would be limited to 85% of the nursing home rate. No additional funding is provided.

Other Budget Issues

Supplemental Security Income (SSI) – The Governor proposes to remove 17,000 SSI recipients who only receive the state supplement because their other income exceeds the federal SSI level of \$458 a month for an individual or \$687 a month for a couple. Many of these individuals may only receive a check of \$10 or \$20 but they automatically qualify for Medical Assistance health care benefits. Most of these elderly, blind and disabled recipients will qualify for MA under the medically-needy category but will be required to apply for the program, meet all of the requirements for medically-needy eligibility and, if eligible, will be required to re-apply every six months.

Projected Savings – \$6.2 million in FY 96 and \$12.5 million in FY 97.

All remaining SSI recipients will receive a 6.5% increase in the state supplement in calendar year 1996. This results in a \$12.1 million increase in FY 96 and a \$7.1 million increase in FY 97. The increase is larger in FY 96 because of a one-time payment at the end of calendar year 1995 to meet federal maintenance of effort requirements.

Community Aids – The Governor proposes an increase of funding in Community Aids of approximately \$25 million which includes the \$15.4 million transfer from the state share of the Personal Care program. The remaining \$10 million increase is the net result of increases in federal funds and decreases in state revenues. In addition, the Governor proposes a community aids block grant which would eliminate categorical funding for everything except for special federal block grants for substance abuse, mental health and child care services. The budget bill also proposes the repeal of the required 9.89% county match.



KEEPING THE COMMUNITY PROMISE CHECKLIST

A summary of how the Governor's budget responds to the long-term care proposal of CWAG and other advocacy organizations

Item	Yes	No	Comments
Does the budget reduce the reliance on institutional care?		X	The budget eliminates medically needy nursing home care but provides no community alternatives. The budget proposes 4.25% and 5% rate increases for nursing homes in the 1995/97 biennium.
Create a single division, with a mission to reduce the reliance on institutional care, to administer all long-term care programs		X	This type of reorganization does not require legislative approval.
Establish a long-range goal of reducing the number of nursing home beds in Wisconsin		X	
Strengthen existing law to deny transfers of nursing home beds from one county to another		X	
Include an assisted living pilot project	X		Not really a pilot project and no new funds are provided.
Does the budget provide adequate funding for home and community care?		X	In fact there are no funds to serve additional people under COP and the MA Personal Care benefit is eliminated.
Increase the cigarette tax to eliminate COP waiting lists		X	
Transfer to COP the full amount available under Act 469		X	The budget proposes to repeal Act 469.
Repeal state law requiring estate recovery for community care		X	
Increase funding for the Nursing Home Ombudsman Program		X	Funds are reduced.
Maintain Spousal Impoverishment Protections		X	Protections for assets are reduced from the maximum to the minimum.
Maintain estate recovery for nursing home care	X		
Maintain existing divestment laws and regulations	X		

In summary, the proposed budget goes further in the direction of breaking the community promise than keeping the community promise.

Income Tax Reductions – The Governor proposes to reduce the top marginal income tax rate from 6.93% to 6.87%. The 6.93% rate now applies to adjusted taxable incomes of \$15,000+ for individuals and \$20,000+ for couples. This provision would be effective for tax year 1996 and will decrease state revenues by \$25.5 million in FY 97.

School Property Tax Rent Credit – The Governor recommends lowering the school property tax rent credit from 10% to 6.87% of the first \$2,000 of rent constituting property taxes (i.e., 20% of gross rent if heat is included, 25% if not). This provision is surprising in that most people do not believe that renters will directly benefit from removing two-thirds of school operating costs from the property tax. The reduction will increase state revenues by \$62 million in FY 97.

Transportation – The Governor will submit the Department of Transportation requests and his recommendations at a later date in separate legislation.

The budget is now in the hands of the legislature starting with the Joint Committee on Finance. As you can see from this *Update* there is a lot of money in the budget which could be shifted (e.g., from income tax reductions to SSI recipients) to do less harm to the elderly and people with disabilities. Legislators must hear from lots of people that the priorities must be adjusted to shift more of the pain to those who can better afford it.

ACTION!

WRITE, CALL or MEET with your STATE Representative and STATE Senator to ask them to (1) carefully consider the implications of these cuts (e.g., forcing more people into nursing homes) and (2) provide more fairness between those who will benefit significantly and those who will be hurt significantly.

You have made a difference before and you can make a difference now -- but you have to **ACT!** If you do not act a lot of older persons and people with disabilities will be hurt badly by this budget!

Legislative Hotline Number

1/800/362-9472

Madison - 266-9960

Elderly Nutrition Program

As this *Update* goes to the printer there have been reports that the Elderly Nutrition Program will NOT be included in the welfare reform block grant (H.R. 4). Most, if not all, of these reports are based upon *verbal* agreements made by House Speaker Newt Gingrich and other Republican leadership. On February 14, 1995 CWAG received "good news" from Congressman Mark Neumann that "the Elderly Nutrition Programs have been spared from the welfare reform block grant." In another letter dated the same day, however, Congressman Scott Klug told CWAG that, "I understand your apprehension about the changes in how the Elderly Nutrition Program will be administered but I believe the proposal (to include the program in the block grant) is an improvement over the current status quo."

It appears that the two Republicans from Wisconsin have totally different information about whether or not the Elderly Nutrition Program will be included in H. R. 4.

ACTION!

Another round of phone calls and letters to Wisconsin Congressmen is recommended. Sometimes verbal agreements are really "not worth the paper they're written on."

Keeping the Community Promise

Recently CWAG, the Wisconsin Coalition for Advocacy and other advocacy organizations released "Keeping the Community Promise, A Comprehensive, Coordinated Long-Term Care System for Wisconsin." Enclosed with this *Update* is a copy of our proposal for your information and action.

ACTION!

CWAG invites every member group and others to review and discuss the proposal. Also, we invite you to put it on the agenda of your next meeting and vote on whether or not your organization would like to endorse the proposal. CWAG is starting to develop a (long) list of organizations which support "Keeping the Community Promise." If your group endorses the proposal please send that information, along with any comments, to Tom Frazier at CWAG. Thank you.

Federal

Dollars

In

Your

Community

• **QUESTIONS** Heard at the Supermarket
and some **FACTS** about Poverty and Welfare Programs

Can't we just balance the federal budget by cutting out welfare programs?

According to a recent poll, 27% of American voters believe that foreign aid is the *largest* federal expense, and 19% put welfare in that position. Actually, foreign aid takes up just 1.8% of the federal fund, and Aid to Families with Dependent Children (welfare) takes up just another 1.5%.

As of 1995, deficit spending is equivalent to about 26% of the *federal fund** budget. That means that we're spending 26% more each year than we're taking in. Even if all spending on welfare were eliminated, we'd still have a deficit problem.

There is a whole tangle of myths surrounding welfare. Because spending on welfare is such a lightening rod for negative attitudes about government spending, it's worth looking at several of the threads in this tangle of myth and fact.

Can't we balance the budget by bringing entitlement spending under control?

*Entitlement spending** does make up a large part of the budget. As of 1995, entitlement spending amounts to about 49% of all federal spending. But is it "out of control"? In 1980, entitlement programs and other *mandatory spending** took up 44% of total spending. In spite of major increases in the cost of health care, the portion of federal spending that goes to entitlement programs hasn't increased very much.

The Social Security *trust fund**, which is the largest entitlement program managed by the federal government, continues to run surpluses of \$50 billion to \$60 billion per year.

Why does the U.S. insist on serving as a welfare-state for the poor? Actually, forty-seven percent of the population in the U.S. receive some kind of direct government benefit. Only 5.1% receive welfare. In terms of money, about 40% of total federal spending goes for *non-means-tested entitlements** and other mandatory spending, such as Medicare, Social Security and pension funds. Only about 12% of federal spending covers entitlements for low-income people (including Medicaid and welfare).

How do high-income people get benefits from the federal government? Tax expenditures are a different form of entitlement spending. When Congress decides, for good, bad or indifferent policy reasons, to excuse certain kinds of income from taxation, or to allow a tax credit in certain circumstances, the U.S. Treasury forgoes a measurable amount of income that it would otherwise have received.

This income is distributed, instead, among those who qualified for the tax benefit. Hence the term, tax *expenditure*, or tax *entitlement*. In 1994, for example, the federal government spent \$23.5 billion on housing assistance programs for low-income people. At the same time, the federal government spent \$79.7 billion indirectly for homeowner deductions for middle and higher income people.

Hasn't spending on the poor has been rising sharply? Rising, yes. But not enough to meet the need -- and not for some of the basic support programs.

Spending on low-income programs was cut sharply in 1981 and 1982. Since then, spending on some of these programs has been rising steadily. Until 1990, the number of people who are poor was rising much faster than spending on low income programs was rising.

Funding for the welfare program (AFDC) in particular, however, is at about the same level as it was in 1975, in real dollar terms. The program received the equivalent of \$20.3 billion in 1975, and received \$20.1 billion in 1992. But this same pot of money serves 2.5 million more people than it served in 1975.

The biggest increase has been in Medicaid spending, which provides health care for some low-income people. The program's benefits have been extended to more children, but mostly, the cost of health care has risen each year more than inflation generally.

Who is on welfare and how long do they stay? The typical family on welfare consists of a single mother and her children. Almost half of these mothers were previously married. The average age is 29. Only 11% are teenagers, and 91% of these live with their own parents or with other adults.

The "welfare queen" stereotype includes the idea that the typical mother on welfare is African American. In fact, only 39% of people who receive welfare are African American. The vast majority are white or of other ethnic backgrounds. African American families are

over-represented among people who receive welfare because they are over-represented among the poor; still, they are not the majority of welfare recipients.

Most people who use welfare do so for a relatively short time while they stabilize their family's income and child care situations. Seventy percent of all people entering the welfare system leave AFDC within 2 years, and 56% within 1 year. Only 9% stay on continuously for more than 8 years.

Do families on welfare have more children in order to receive more benefits? It would be a losing proposition for them if they did. First, the average number of children in an AFDC family (2) is lower than the average for families in the general population (2.3).

Second, whatever additional benefits that the state provides for an additional child do not cover the additional costs of caring for that child.

Third, consider that middle class taxpayers receive about \$2300 a year per child in tax deductions, yet no one supposes that these families are having more children in order to receive more money.

What benefits do welfare families receive? Welfare benefits vary from \$120 per month (for a family of 3) in Mississippi, to \$923 per month in Alaska. The median payment is \$367 per month. In all states, welfare benefits are *far* below the poverty line. The top paying state pays 79% of the poverty level; the median state pays 39%.

As of October 1992, even the combined value of AFDC and food stamps was below the poverty line in all 50 states. Only 4 states had combined benefit levels above 79% of the poverty level, when housing assistance was also counted. Less than 1/4 of all families receiving welfare also receive housing assistance.

Families on welfare are also eligible for Medicaid. As the costs of this program continue to rise, families appear to receive "more benefits." Actually, they are receiving the same or fewer benefits, but their medical care is costing the government more each year.

Why don't these people just work? Then they wouldn't be poor. Eight million workers, seven percent of the work force, work but are poor. Sixty percent of all poor families include someone who works part or full time. Until the mid '70s, full time work at the minimum yielded enough income to lift a family out of poverty. But the minimum wage failed to keep pace with the increasing cost of living. So by 1992, it left a three person family \$3,863 below the poverty line. Average hourly wages for non-supervisory workers were lower in 1990 than in any year since 1964.

In the later '80s, when unemployment rates went down, poverty rates declined also. But they didn't decline nearly as much as they did during the recovery of the 60's, because wages were so depressed that full time work no longer lifted families out of poverty.

DEFINITIONS

The *federal fund* is the general U.S. treasury that's available to pay for government programs, excluding moneys that are collected specially and set aside in special trust funds (like Social Security.) The trust funds -- mostly Social Security -- create a surplus each year that is "borrowed" by the general treasury.

Entitlement spending is money for programs that people qualify for according to a set of rules or eligibility criteria. (If more people qualify, the program costs more.)

A "*means-tested*" program is one which people qualify for because their income is low. A non-means-tested program is available to anyone, regardless of income.

The *federal poverty line* is a level of income equal to three times the cost of a collection of foods known as the "thrifty food plan." In 1994, the poverty level for a family of four was \$14,800; for a family of three, \$12,320; for a single person, \$7,360. Alaska and Hawaii thresholds are higher.]

Sources:

Ways and Means Committee, *Green Book*, 1993.

Office of Management and Budget, *Budget of the United States Government, FY 1996, Analytical Perspectives*.

Reform Organization of Welfare Education Association, St.Louis, MO, based on work of Mimi Abramovitz and Fred Newdom of the Bertha Capen Reynolds Society.