

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **06/5/99**

Received By: **yacketa**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Carabell**

This file may be shown to any legislator: **NO**

Drafter: **yacketa**

May Contact:

Alt. Drafters:

Subject: **Public Assistance - misc**

Extra Copies:

Pre Topic:

LFB:.....Carabell -

Topic:

Increase SSI caretaker supplement

Instructions:

See Attached;

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	yacketa 06/7/99	ygeller 06/7/99	martykr 06/7/99	_____	lrb_docadmin 06/7/99		

FE Sent For:

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elimination of this provision has a significant fiscal impact, it could request additional funding under s. 13.10.

34. LFB Paper #1096. Alternative A1 -- Modification. Reduce funding budgeted in DHFS for kinship care benefits by \$2,326,500 PR in 1999-00 and \$502,400 PR in 2000-01 and provide a corresponding reduction in federal TANF funds budgeted in DWD to reflect a reestimate of the cost of kinship care benefits in the next biennium.

35. LFB Paper #1096. Alternative D1. Delete \$1,586,000 GPR and \$2,200,000 FED from base funding for kinship foster care and instead budget these funds in community aids or the DHFS Bureau of Milwaukee Child Welfare, as appropriate, and delete appropriation language regarding kinship foster care to reflect that counties, or DHFS in Milwaukee County, would make payments to foster parents related to the children in their care or providing care to teenage parents from community aids or their out-of-home care budget, rather than a separate kinship foster care allocation.

36. LFB paper #1096. Delete all of the Governor's recommended statutory changes relating to kinship care benefits. Instead, provide \$500,000 PR in 1999-00 in DHFS and provide a corresponding increase in federal TANF funds budgeted in DWD which would be used by DHFS to supplement kinship care allocations in order to prevent the need to place eligible kinship care relatives on a waiting list if payments for kinship care exceed the amount allocated. Specify that DHFS could carry any of the unused funding from this provision to 2000-01.

Specify that a county may request supplemental funding from DHFS if payments for kinship care in that county exceed that county's allocation. Require DHFS to supplement the county's allocation if DHFS verifies the need for the supplemental allocation to eliminate kinship care waiting lists. This motion would not preclude DHFS from reobligating funds from other counties on a voluntary basis in order to address waiting lists. Specify that this same criteria applies to a request for additional funding from the DHFS Bureau of Milwaukee Child Welfare, which is responsible for making kinship care payments in Milwaukee County.

Further, if DHFS exhausts funding from the \$500,000 that would be provided under this provision, require DHFS to submit a request for supplemental funding for kinship care benefits under s. 16.515 of the statutes.

37. LFB Paper #1097. Require DHFS to reallocate 1.0 GPR vacant position and corresponding funding to provide increased oversight of the kinship care program. This position would provide program oversight and monitoring, technical assistance to counties in administering kinship care, serve as the liaison to DWD and the DHFS Bureau of Milwaukee Child Welfare (which administers kinship care in Milwaukee County) and develop policies and procedures related to kinship care. GPR funding used to support this position could be counted towards the state's maintenance-of-effort requirement under TANF.

38. LFB Paper #1098. Alternative 2. Modify the Governor's recommendations to provide \$4,559,200 PR in 1999-00 and \$6,838,800 PR in 2000-01 and specify that the monthly SSI caretaker supplement payment for the first child in the home would be \$250, rather than \$150.

GMM

allocation

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Provide an additional \$10,900 PR in 1999-00 to reflect one-time costs to implement the change in the benefit level. Provide a corresponding increase in federal TANF funds budgeted in DWD. Specify that the effective date of the modification would be November 1, 1999, or the day after publication of the bill, whichever is later.

*b0548
TAY*
39. LFB Paper #1099. Alternative 4. Modify the Governor's proposal by specifying that a person could be eligible for emergency assistance if the person is in danger of becoming homeless, as evidenced by a notice of impending foreclosure action or a notice terminating tenancy.

allocation
40. LFB Paper #1100. Alternative 2. Adopt the Governor's recommendation to increase the reimbursement for services provided under the Children First program to \$400 per participant. Decrease funding for the program by \$176,400 FED each year to reflect recent participation levels. Total funding of \$1,140,000 per year would be provided under this alternative.

allocation
41. LFB Paper #1101. Decrease funding by \$2,500,000 FED in each year. Under this alternative, annual funding for the early childhood excellence initiative would be \$7,500,000 rather than \$10,000,000.

*TAY
b0549*
42. LFB Paper #1102. Alternative A2. Modify the Governor's proposal by: (a) specifying that funding would have to be used for job readiness and placement services to unemployed persons; basic skills development; post employment services to assist with job retention; incumbent worker training to promote job advancement and increased earnings; and services to employers to retain workers and provide career progression paths; (b) requiring that DWD allocate an equal amount of funding to each W-2 agency, with additional funding provided based on the agency's case management, FSET, diversion, noncustodial parent, and child care cases; and to workforce development area boards based on a formula that considers the population under 200% of the federal poverty level in the area, labor force participation and local unemployment rates; and (c) requiring DWD to include in all contracts for workforce attachment funds performance measures based on employment placement for unemployed persons, job retention, increased earnings and increased child support collections for noncustodial parents.

allocation
43. LFB Paper #1102. Alternative A5. Modify the Governor's proposal by reducing funding for the workforce attachment fund by \$10,000,000 FED in 2000-01. Total funding would be \$10,000,000 annually.

*no
draft*
44. LFB Paper #1102. Alternative A6. Place all funds for the workforce attachment program into the Committee's appropriation for release under s. 13.10 upon approval of specifics regarding the program's design and planned implementation.

allocation
45. LFB Paper #1103. Provide \$7,500,000 FED in each year for the community youth grants program, an increase of \$2,500,000 in 1999-00 and a decrease of \$7,500,000 in 2000-01, compared to the bill. Of this funding, provide \$3,150,000 in 1999-00 and \$3,650,000 in 2000-01 to the following local organizations: (a) \$1,300,000 annually for Boys & Girls Clubs of America; (b) \$75,000 annually for Silver Spring Neighborhood Association; (c) \$1,000,000 in 1999-00 and \$1,500,000 in 2000-01 for the Safe and Sound Initiative; (d) \$125,000 annually for the Good



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 1, 1999

Joint Committee on Finance

Paper #1098

TANF

SSI -- Caretaker Supplement Benefit Level (DHFS -- Supportive Living)

[LFB 1999-01 Budget Summary: Page 324, #1, Page 691, #23]

CURRENT LAW

The Department of Health and Family Services is required to make monthly payments of \$100 per dependent child to custodial parents if all of the following apply:

- The custodial parent is a recipient of federal or state supplemental security income (SSI) payments;
- If the dependent child has two custodial parents, each custodial parent receives federal or state SSI payments;
- The custodial parent assigns any right of support for the dependent child to the state;
- The dependent child meets the eligibility criteria under the former aid to families with dependent children criteria (AFDC) program;
- The dependent child does not receive federal SSI payments;
- The custodial parent is ineligible for the Wisconsin Works (W-2) program solely because he or she receives federal or state SSI payments or is receiving benefits under W-2 pending an application for federal SSI benefits.

The SSI caretaker supplement was initially established under provisions of 1997 Wisconsin Act 27 (the 1997-99 biennial budget act). Act 27 established the benefit at \$77 per month per dependent child beginning January, 1998. 1997 Wisconsin Act 237 (the 1997-99

annual adjustment act) increased the benefit to \$100 per month per dependent child effective July, 1998.

The supplement is funded with federal temporary assistance to needy families (TANF) block grant funds transferred from the Department of Workforce Development and GPR funds budgeted in the DHFS appropriation for state supplemental SSI benefits. The amount of TANF funds reflects the difference between the cost to fully fund the caretaker supplement and the amount of GPR available from the SSI benefits appropriation. The total amount of GPR funds budgeted for SSI benefits is an amount sufficient to meet the state's SSI maintenance-of-effort requirement under federal law. The supplement was established to replace benefits for which these children were previously eligible under the AFDC program.

GOVERNOR

Provide \$4,400,100 PR in 1999-00 and \$6,597,000 PR in 2000-01 from TANF funds transferred from DWD to increase the monthly payment amount for the SSI caretaker supplement from \$100 to \$150 per child, effective October 1, 1999, or on the day after publication of the bill, whichever is later. Of these amounts, \$2,100 in 1999-00 would be provided for administrative costs related to the increase in the supplement amount.

The amount of GPR budgeted for the caretaker supplement in the bill (\$8,956,800 GPR in 1999-00 and \$10,311,700 GPR in 2000-01) reflects the difference between the total amount budgeted for SSI benefits (\$128,281,600 GPR annually) and the amounts projected for non-caretaker supplement SSI benefits (\$119,324,800 GPR in 1999-00 and \$117,969,900 GPR in 2000-01).

DISCUSSION POINTS

1. Since the SSI caretaker supplement was established in 1997 Act 27, there has been a considerable amount of discussion regarding the appropriate benefit level for the supplement. Because this benefit was created as a replacement to AFDC benefits, many have argued that the supplement should have been established at the same level for these families, since these families are not eligible to participate in the W-2 program.

2. The benefit level available to AFDC beneficiaries, including the dependent children of SSI recipients, was based on the number of children in the home. The following identifies the maximum AFDC benefit a family could have received for their dependent children if the parents had been SSI recipients

<u>Number of Children</u>	<u>Maximum AFDC Payment</u>
1	\$249
2	440
3	517
4	617
5	709

3. The Committee has twice considered establishing the supplement at the previous AFDC level, during the 1997-99 biennial budget deliberations and again during deliberations on the 1997-99 annual adjustment bill. In both of the cases, the Committee did not adopt alternatives to establish the benefit at the previous AFDC level. Instead, the Committee adopted the Governor's recommendations to establish the benefit at \$77 per month during the biennial budget deliberations and to increase the supplement to \$100 per month during the annual adjustment bill deliberations.

4. The Governor's budget recommendation to increase the monthly supplement from \$100 to \$150 per child indicates that the administration recognizes that \$100 per child may not be sufficient to support SSI caretakers' costs of caring for their dependent children. However, the Committee may want to consider whether the Governor's recommended benefit level is sufficient or another level is more appropriate.

5. During testimony on the bill, many organizations representing families with disabled caretakers urged the Committee to increase the supplement to provide \$250 per month for the first child in the family and \$150 per month for every other child in the family. As a result, each family would receive an additional \$100 per month above the amounts they would receive under the bill. The Senate Committee on Aging and Human Services recommended that the bill be modified to reflect this proposal.

6. It is estimated that the cost to increase the benefit to \$250 for the first child would total \$4,559,200 PR in 1999-00 and \$6,838,800 PR in 2000-01, in addition to the funding increase in the bill. DHFS indicates that it would incur one-time administrative costs of \$10,900 to establish a benefit level for one child in the home that differs from the benefit level for other children in the home.

7. Alternatively, since the Legislature adopted the benefit level of \$100 per month as an appropriate benefit level for the caretaker supplement during deliberations on the 1997-99 annual adjustment bill, the Committee could choose to delete the Governor's recommendations and maintain the benefit at \$100 per month per dependent child.

8. The Committee could also consider alternative benefit levels. For example, the Committee could increase the benefit level to \$175 per child, \$200 per child, or a level consistent with the current kinship care benefit level (\$215 per child). The following table identifies the

amounts a family would receive under current law, the Governor's recommendations and alternative funding levels, based on the number of dependent children in the home.

<u>Number of Children</u>	<u>Current Law</u>	<u>Governor's Recommendations</u>	<u>\$175 per Month</u>	<u>\$200 per Month</u>	<u>\$215 per Month</u>
1	\$100	\$150	\$175	\$200	\$215
2	200	300	350	400	430
3	300	450	525	600	645
4	400	600	700	800	860
5	500	750	875	1000	1075

9. The bill would increase the caretaker supplement benefit beginning October 1, 1999, or on the day after publication of the bill, whichever is later. However, the amount of funding provided in the bill to support the benefit increase reflects a November 1, 1999, effective date for the increase. The administration indicates that the bill should be modified to reflect a November 1, 1999, effective date to reflect the Governor's intent.

ALTERNATIVES

1. Approve the Governor's recommendation to increase the caretaker supplement benefit to \$150 per month per dependent child, but specify that the effective date of the increase would be November 1, 1999, or the day after publication of the bill, whichever is later.

2. Modify the Governor's recommendations to provide \$4,559,200 PR in 1999-00 and \$6,838,800 PR in 2000-01 and specify that the payment for the first child in the home would be \$250, rather than \$150. Provide an additional \$10,900 PR in 1999-00 to reflect one-time costs to implement the change in the benefit level. Provide a corresponding increase in federal TANF funds budgeted in DWD. Specify that the effective date of the modification would be November 1, 1999, or the day after publication of the bill, whichever is later.

<u>Alternative 2</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	\$11,408,900	\$11,408,900	\$22,817,800

3. Modify the Governor's recommendations to instead establish the caretaker supplement at one of the following levels:

	<u>Monthly Payment</u>	<u>Change to Bill</u>		<u>Total</u>
		<u>1999-00</u>	<u>2000-01</u>	
a.	175	\$2,199,000	\$3,298,500	\$5,497,500
b.	200	4,398,000	6,597,000	10,995,000
c.	215	5,717,400	8,576,100	14,293,500

Increase FED funding in DWD by corresponding amounts.

4. Maintain current law.

<u>Alternative 4</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	-\$10,997,100	-\$10,997,100	-\$21,994,200

Prepared by: Rachel Carabell



Soon Done
State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0547/1

TAX.....

RMR Jlg

LFB:.....Carabell – Increase SSI caretaker supplement

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 757, line 2: delete "\$150" and substitute "\$250". ✓

3 2. Page 757, line 3: delete "per" and substitute "per for one dependent child and
4 \$150 per month for each additional". ✓

5 3. Page 1473, line 2: delete "October" and substitute "November". ✓

6 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0547/1dn

TAY...:.....

1
jlg

Rachel Carabell:

The motion specifies that the SSI caretaker supplement is to be increased to \$250 "for the first child in the home," but makes no mention of the amount to be paid for any additional dependent children. I assumed that the committee intended to maintain the Governor's suggested \$150 for each additional child in the home. Is that assumption correct?

Tina A. Yacker
Legislative Attorney
Phone: (608) 261-6927
E-mail: Tina.Yacker@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0547/1dn

TAY:jlg:km

June 7, 1999

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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0547/1
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