

# PEGGY ROSENZWEIG



*State Senator, 5th Senate District*

TO: Members of the Senate Committee on Human Services and Aging

FROM: Senator Peggy Rosenzweig

DATE: March 9, 2000

RE: Senate Bill 435

I would like to first thank Senator Robson for holding such a prompt hearing on this bill, which I believe to be important legislation for this state. Senate Bill 435 directs the Department of Workforce Development to submit a statewide plan, for providing comprehensive services to noncustodial parents, to the Governor, DOA, the Joint Committee on Finance and appropriate standing committees by March 1, 2001.

I asked for this legislation to be drafted because I believe that noncustodial parents are a critical part of the process of moving people from welfare to work and self-sufficiency. Noncustodial parents as a group are often ignored when it comes to receiving services, yet they are an important cog in any family, both financially and emotionally. I believe that if noncustodial parents are given employment and support services, they will be more likely to support their children and be an integral part of their life.

Few states have done anything organized to help this group of people. In fact, only Connecticut and Florida have any organized, statewide program to aid noncustodial parents. Once again, Wisconsin can be a leader in the nation, as we were with W-2, and provide aid to a population that is critical to the ultimate success and self-sufficiency of many families.

I have been very interested in this topic, especially as the W-2 program has continued to evolve over the last few years. In speaking with national organizations and our Legislative Fiscal Bureau, it became apparent to me that there was the opportunity and the money to serve this population. In fact, federal law and regulations regarding TANF funding specify that TANF funds must be used to accomplish one or more of the following purposes:

- (1) to provide assistance to "needy" families so children may be cared for in their homes or in the homes of relatives;
- (2) to end the dependence of "needy" parents on government benefits by promoting job preparation, work and marriage;
- (3) to prevent and reduce the incidence of out-of-wedlock pregnancies; and

(4) to encourage the formation and maintenance of two-parent families.

There is no question that TANF funds (and state MOE dollars) can be used to provide services to noncustodial parents that meet the above purposes. While there are some programs in place in Wisconsin to serve this population, the approach has always seemed piece-meal and unfocused. I think a statewide program that takes a holistic approach to helping non-custodial parents become more productive members of society and their families would better serve Wisconsin. I believe this bill will help us achieve that goal and I look forward to your support.

I would be happy to answer any questions that you may have on this bill.

Testimony  
of  
David R. Riemer  
Director of Administration  
City of Milwaukee  
on  
Senate Bill 435  
Senate Committee on Human Services and Aging  
March 9, 2000

On behalf of Mayor Norquist and the City of Milwaukee, I want to express my strong support for S.B. 435.

Every child has two parents, and that simple fact creates two sets of responsibilities. The first set of responsibilities falls on the child's two parents. Like the mother, who is almost always a custodial parent, the father, who is often a non-custodial parent, has a fundamental obligation to work to provide both the child and himself enough money to live a decent life. But the creation of a child also creates a second set of responsibilities. If either the mother or the father, in meeting their responsibilities, can't find work, then it makes sense to ask community as a whole, through government, to help her or help him to find work.

W-2 has done a good job in clarifying the custodial parent's obligation to work, and it has done a pretty good start in helping custodial parents find work, making work pay, and supporting work through subsidized child care and health care, including the new BadgerCare program. W-2 remains a work in progress. Further improvement is needed. But today we're here to talk about the other half of the picture.

With respect to non-custodial parents, both federal and state law do a good job of making explicit the obligation to provide support.

The missing piece is a comprehensive program to help non-custodial parents actually find the jobs they need to pay the child support they owe, and to sustain themselves as they go through life.

SB 453 is the starting point in creating such a comprehensive program for connecting non-custodial parents to Wisconsin's now-booming labor market.

Even before this legislation, some of the pieces needed to create a comprehensive program for non-custodial parents have been set in place. I want to commend Governor Thompson, the Wisconsin legislature, and our state's local Private Industry Councils for enacting the Workforce Attachment and

Advancement (WAA) program, obtaining federal Welfare-to-Work funding (both formula grant funds and some competitive grant funds), and creating a fatherhood initiative. Each of these programs addresses *in part* the need to connect non-custodial parents to the labor market. They are important pieces of the puzzle.

But we all know that, however well these programs are administered, they will leave thousands of our state's low-income non-custodial parents without help in finding a job. They were simply not designed to tackle the whole problem.

Missing on the statute books is an answer to the big question: What is Wisconsin's plan for connecting *all* of our state's low-income non-custodial parents to the jobs they need to pay their child support and support themselves?

SB 435 asks that question, and creates a coherent process for formulating an answer. DWD, as the lead agency for helping to connect custodial mothers to jobs, will be required to develop a plan for connecting the fathers of their children to jobs. The other state agency with the greatest stake in the answer--DHFS--must be consulted. I suspect, somehow, that DOA will get involved even before DWD's report is formally submitted to DOA. And then DOA, formally, and the responsible committees of the Legislature take over. This is a straightforward and rational approach. I urge the Committee to adopt it and approve SB 435.

There are two changes in the bill that I would ask you to consider making.

The first relates to fall-back community service jobs, or as I prefer to call them these days: subsidized private sector employment. One of the strengths of W-2 is the fact that, with respect to custodial parents, the program acknowledges that subsidized work itself--the experience of actually performing a job-- is often the best form of preparation for unsubsidized private-sector employment, as well as a broadly accepted basis for paying parents the money they need to live on. It is my understanding that the largest percentage of W-2 participants now fill community service job slots. But CSJs are missing from SB 435. Or, at least, they're not mentioned in explicit language. DWD would have to take hold of a broader phrase like "employment...services" or "job...training" to justify the inclusion of CSJs in the plan for non-custodial parents that it submits on March 1, 2001.

SB 435 would be improved, I believe, if you amended it to include fall-back community service jobs--using the term subsidized private sector employment--as an option for those non-custodial parents who have not been able to obtain regular unsubsidized jobs after receiving the specific services that *are* mentioned in the bill, e.g., job training, job readiness skills training, etc. To invite a non-custodial parent into the system, train him for several weeks, and then leave him idle and frustrated after he's made a good faith effort to find a private-sector job, is a

recipe for disillusion and failure.

Specifically, I recommend that on page 2, under Section 1 (1)(a), line 9, you insert after "health care" a comma and then the words: "subsidized private sector employment if a good faith effort to find unsubsidized employment has not been successful".

Why, rather than W-2's phrase "community service jobs", do I propose the alternative language "subsidized private sector employment"? The answer will come as no surprise to members of the Committee. Both Mayor Norquist and I feel strongly that fall-back jobs for low-income adults that are paid for by government tax dollars should nonetheless resemble private-sector jobs as closely as possible. Workers should work first and be paid later (in fact, work a week, and be paid the next week, just like at McDonald's or Walgreen's), be paid real wages, have their wages docked by their bosses if they don't work (rather than have their grants "sanctioned" by bureaucrats if they don't meet their "work requirement"), pay Social Security and Medicare taxes like the rest of us, and be eligible for the EITC if they have dependent children and otherwise qualify. Changing the name of Wisconsin's subsidized fall-back jobs from "community service jobs" to "subsidized private sector employment" helps to emphasize this shift in approach. Also, discussions I've had with officials from the IRS and U.S. Department of the Treasury indicate that we're more likely at the margin to avoid problems with the tax treatment of fall-back job wages, because of certain quirks in federal law too complicated to explain here, if we change the name from "community service jobs" to "subsidized private sector employment."

The second amendment I'd suggest relates to the administrative structure of the program to be created for low-income non-custodial parents. SB 435 doesn't speak to whether this program will be folded into W-2 or operate as a separate program. I feel, pretty strongly at this point, that W-2 should be expanded to include non-custodial parents, and that we should use the same W-2 agencies and locations and staff and manuals for both low-income custodial parents *and* low-income custodial parents. Doing so, I believe, would avoid confusion, reduce bureaucratic overhead, and save money. Others may disagree. My point here is not to debate the substantive question but to ask that SB 435 be amended to direct DWD to answer the question. I suggest that on page 2, under Section 1 (1)(b), after line 23, you insert a new paragraph 6 that reads: "A description of how the plan for will be administered, including whether it will be incorporated in the Wisconsin Works (W-2) program or operate as a separate program."

Thank you for the opportunity to testify. I'd be glad to answer any questions.